

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1922. Petition of 52 citizens of Lamar, Barton County, Mo., protesting against House bill 7479, migratory bird refuge bill; to the Committee on Agriculture.

1923. Petition of the Protestant churches of the village of Arcade, N. Y., opposing any modification of the prohibition law; to the Committee on the Judiciary.

1924. By Mr. BIXLER: Petition of C. S. Crawford and other residents of Ridgway, Pa., protesting against any change in the eighteenth amendment and the Volstead law; to the Committee on the Judiciary.

1925. Also, petition of Rev. J. E. Iams and other residents of Johnsonburg, Pa., protesting against any change in the eighteenth amendment and Volstead law; to the Committee on the Judiciary.

1926. Also, petition of members of Bethlehem Lutheran Church, of Ridgway, Pa., protesting against any change in the eighteenth amendment and Volstead law; to the Committee on the Judiciary.

1927. Also, petition of M. P. Shanley and other residents of Ridgway, Pa., protesting against any change in the eighteenth amendment and Volstead law; to the Committee on the Judiciary.

1928. Also, petition of the McKee Reed Missionary Society of the United Presbyterian Church of Oil City, Pa., urging the Sunday rest bill for the District of Columbia (H. R. 10311); to the Committee on the Judiciary.

1929. By Mr. EDWARDS: Petition of the Public Service Commission of the State of Georgia, indorsing and approving the bid of the Muscle Shoals Distributing Co. for Muscle Shoals; to the Committee on Military Affairs.

1930. By Mr. FULLER: Petition of Charles N. Gorham and others, protesting against the passage of the Fitzgerald bill (H. R. 487); to the Committee on the District of Columbia.

1931. Also, petition of J. C. Kline and others, urging early and favorable consideration of the Federal farm board bill; to the Committee on Agriculture.

1932. By Mr. GALLIVAN: Petition of Boston Central Labor Union, P. H. Jennings, secretary and business representative, 987 Washington Street, Boston, Mass., protesting against legislation providing for the fingerprinting and photographing of all noncitizens; to the Committee on Immigration and Naturalization.

1933. By Mr. GARNER of Texas: Memorial of Texas Retail Dry Goods Association, favoring a readjustment of postal rates; to the Committee on the Post Office and Post Roads.

1934. By Mr. JOHNSON of Texas: Petitions of parties opposing modification of the Volstead or national prohibition law, and urging its strict enforcement, to wit, Pastors' Association, of Corsicana, Tex., by Rev. D. A. Chisholm, president, and W. S. Goode, secretary, and Charles E. Bullock and 199 other citizens of Hearne, Tex.; to the Committee on Alcoholic Liquor Traffic.

1935. Also, petitions of individuals and organizations favoring Senate bill 750, to wit, telegram from Dr. J. B. Barnett, J. E. Barnett, B. B. Barron, and Homer T. Wilson, all of Thornton, Tex.; Groesbeck (Tex.) Chamber of Commerce and Advertising Club; Chamber of Commerce of Normangee, Tex.; officials of Texas Travelers' Protective Association (Texas division); and Lumbermen's Association of Texas, by J. C. Dionne, secretary; to the Committee on Interstate and Foreign Commerce.

1936. By Mr. KETCHAM: Petition of 75 residents of Hastings Mich., and vicinity, protesting against House bills 7822 and 7179, Sunday observance bills; to the Committee on the District of Columbia.

1937. By Mr. KINDRED: Petition of the Far Rockaway Auxiliary attached to Post No. 423, favoring bill 10240, the Fitzgerald and the Green bill; to the Committee on World War Veterans' Legislation.

1938. By Mr. LUCE: Petition of Grace Congregational Church, Framingham, Mass., protesting against modification of the Volstead Act; to the Committee on the Judiciary.

1939. By Mr. MORROW: Petition of Woman's Christian Temperance Union, East Las Vegas, N. Mex., protesting against modification of the Volstead Act; to the Committee on the Judiciary.

1940. By Mr. O'CONNELL of New York: Petition of Ralph H. Overbaugh, general attorney of the Western Union Telegraph Co., of New York, opposing the passage of House bill 487, which prevents a financially responsible employer from carrying its own risks under the act; to the Committee on the District of Columbia.

1941. Also, petition of the Workers' Health Bureau of America, located in New York City, favoring the passage of the Fitzgerald bill (H. R. 487), providing workman's compensation to workers employed in the District of Columbia; to the Committee on the District of Columbia.

1942. Also, petition of George Bird Grinnell, of 236 East Fifteenth Street, New York City, favoring the passage of the game refuge and marshland bill (S. 2607 and H. R. 7479); to the Committee on Agriculture.

1943. Also, petition of Miss Katherine W. Smith, of New York City, favoring the passage of the game refuge and marshland conservation bill (H. R. 7479); to the Committee on Agriculture.

1944. Also, petition of the Merchants' Association of New York, favoring the creation of a national police bureau; to the Committee on the Judiciary.

1945. By Mr. TINKHAM: Resolution of the Boston Central Labor Union, protesting against the passage of all bills providing for the registration, finger printing, and photographing of all noncitizens; to the Committee on Immigration and Naturalization.

1946. By Mr. WATSON: Petition of Donald McLeod Post, No. 336, American Legion, North Wales, Pa., favoring the passage of House bills 6381, 7082, and 10240; to the Committee on World War Veterans' Legislation.

1947. Also, petition of Montgomery County L. A. A. C. H., Norristown, Pa., protesting against the Curtis-Reed bill regarding Federal control of education; to the Committee on Education.

1948. By Mr. WELSH: Memorial adopted by the Philadelphia Board of Trade, favoring enactment of House bill 4, to assure compensation for accidental injuries or death of employees in certain occupations in the District of Columbia; to the Committee on the District of Columbia.

SENATE

TUESDAY, April 27, 1926

(Legislative day of Monday, April 19, 1926)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Ferris	Keyes	Ransdell
Bayard	Fess	King	Reed, Mo.
Bingham	Frazier	La Follette	Robinson, Ark.
Blease	George	Lenroot	Sackett
Borah	Gerry	McKellar	Sheppard
Bratton	Gillett	McLean	Shipstead
Broussard	Glass	McMaster	Shortridge
Bruce	Goff	McNary	Simmons
Butler	Gooding	Mayfield	Smoot
Cameron	Greene	Means	Stanfield
Caraway	Hale	Metcalf	Steck
Copeland	Harrell	Neely	Stephens
Couzens	Harris	Norbeck	Swanson
Curtis	Harrison	Norris	Trammell
Dale	Heflin	Nye	Wadsworth
Deneen	Howell	Oddie	Warren
Dill	Johnson	Overman	Watson
Edge	Jones, N. Mex.	Pepper	Weller
Edwards	Jones, Wash.	Phillips	Willis
Ernst	Kendrick	Pine	

Mr. CURTIS. I desire to announce the absence of my colleague [Mr. CAPPER] on account of illness in his family. I will let this announcement stand for the day.

Mr. GERRY. I wish to announce that the junior Senator from Montana [Mr. WHEELER] is necessarily detained from the Chamber. I desire that this announcement shall stand for the day.

The VICE PRESIDENT. Seventy-nine Senators having answered to their names, a quorum is present.

INTERNATIONAL PARLIAMENTARY CONFERENCE OF COMMERCE

The VICE PRESIDENT laid before the Senate a communication from the Secretary of State, transmitting an invitation for American representation at the forthcoming meeting at London of the International Parliamentary Conference of Commerce, which was referred to the Committee on Foreign Relations.

SESQUICENTENNIAL CELEBRATION AT WILLIAMSBURG, VA.

The VICE PRESIDENT. In appointing Senators SWANSON, BORAH, GLASS, BINGHAM, and BRUCE as the committee on the part of the Senate under House Concurrent Resolution No. 13 a mistake was made and the committee was named under

House Concurrent Resolution No. 22. The Secretary is directed to make the correction and to name the committee under House Concurrent Resolution No. 13, providing for the observance of May 15, 1926, as the one hundred and fiftieth anniversary of the passage of a resolution by the Virginia Convention of 1776 proposing that Congress make a declaration of independence, and extending to the President and Congress of the United States an invitation to participate in a celebration at Williamsburg, Va.

PETITIONS AND MEMORIALS

Mr. EDWARDS. Mr. President, I send to the desk two resolutions which I ask may be printed in the RECORD and appropriately referred:

There being no objection, the resolutions were ordered to be printed in the RECORD and referred as indicated.

To the Committee on Civil Service:

Hon. EDWARD I. EDWARDS,
Washington, D. C.:

Whereas we are of the firm belief that an adequate and equitable retirement system for employees in the classified civil service of the United States is highly essential in the best interests of efficient Government service; and

Whereas the executives of many departments of the Federal Government have found the existing Federal retirement law to be inadequate to provide for superannuated employees because of the meager annuities paid and high age limits required which has prompted recommendations for liberalization; and

Whereas a bill now pending before Congress exacts increased deductions from the salaries of the employees to 4 per cent which will add approximately \$30,000,000 annually to the balance of \$52,000,000 now in the retirement fund, thus obviating the necessity for any appropriation by the Government for many years to come: Therefore be it

Resolved, That the officers and members of N. A. L. C. Branch No. 1492 in meeting assembled on April 6, 1926, do hereby petition the Sixty-ninth Congress of the United States to give immediate favorable consideration to the Stanfield-Lehlbach retirement bill S. 786 and H. R. 7 providing for the maximum annuity of \$1,200 per annum with optional retirement after 30 years of service at the ages of 60, 62, and 65, and urge that a vote be taken on this measure at an early date before adjournment of Congress.

[SEAL.]

GEORGE A. CLARK, *President*.
PERRY G. H. LONG, *Secretary*.

To the Committee on the Judiciary:

FIRST CHURCH OF CHRIST, SCIENTIST,
Hoboken, N. J., April 20, 1926.

Whereas the eighteenth amendment to the Constitution represents the largest step forward toward human freedom from the slavery of drink; and

Whereas the benefits derived are so tangible as to be irrefutable; and

Whereas a fuller enforcement is not only possible but imperative:

Resolved, That we, the board of trustees of First Church of Christ, Scientist, Hoboken, N. J., hereby pledge our fullest moral support toward complete observance of the law and a more efficient administration thereof.

N. M. KESSLER, *Clerk*.

Mr. ROBINSON of Arkansas presented a letter from Mr. Guy Dickinson, of the Big Rock Stone Co., of Little Rock, Ark., requesting that the Veterans' Bureau direct an inspector be assigned to investigate and report on the bill (S. 3985) to convey to the Big Rock Stone Co. a portion of the hospital reservation of the United States Veterans' Hospital No. 78, Fort Roots, Ark., which was referred to the Committee on Finance.

Mr. PEPPER presented a petition of the Philadelphia (Pa.) Board of Trade, praying for the passage of Senate bill 3681, to upbuild the American Merchant Marine in foreign trade, etc., which was referred to the Committee on Commerce.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the passage of House bill 9498, providing compensation for death or injuries in certain maritime employment, which was referred to the Committee on the Judiciary.

He also presented a petition of the Philadelphia (Pa.) Board of Trade, praying for the passage of House bill 4, being a bill "to assure compensation for accidental injuries or death of employees in certain occupations in the District of Columbia," which was referred to the Committee on the District of Columbia.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, protesting against the passage of House bill 487, being a bill "creating the District of Columbia insurance fund for the benefit of employees injured and the dependents of

employees killed in employment," etc., which was referred to the Committee on the District of Columbia.

GOOD ROADS APPROPRIATIONS

Mr. BLEASE. Mr. President, I have a telegram from Rear Admiral McGowan, State highway commissioner of South Carolina, that I would like to have read in order that it may appear in the RECORD and referred to the Committee on Post Offices and Post Roads.

The VICE PRESIDENT. Without objection, the clerk will read as requested, and the telegram will be referred to the Committee on Post Offices and Post Roads.

The Chief Clerk read as follows:

COLUMBIA, S. C., April 26, 1926.

Hon. COLE L. BLEASE,

United States Senate, Washington, D. C.:

We are informed that Senate Roads Committee is considering reduction in the Federal-aid appropriation to less than \$75,000,000. South Carolina is spending about five million per year of its own money on roads, with several additional millions provided by counties. We get only about one million Federal aid from seventy-five million appropriation, and see no occasion for considering reduction. Federal aid tremendously valuable to this State, particularly in securing a connected system. We could use twice the present amount. Please see that no reduction is made.

SAMUEL MCGOWAN,
Chief Highway Commissioner.

REPORT OF THE CLAIMS COMMITTEE

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (S. 2525) for the relief of Maria Maykovic, reported it with an amendment and submitted a report (No. 676) thereon.

CHANGE OF REFERENCE

Mr. WARREN, from the Committee on Appropriations, to which was referred the joint resolution (H. J. Res. 100) to authorize the Secretary of War to expend not to exceed \$125,000 for the protection of Government property adjacent to Lowell Creek, Alaska, asked that the committee be discharged from its further consideration and that the joint resolution be referred to the Committee on Territories and Insular Possessions, which was agreed to.

OHIO RIVER BRIDGE NEAR STEUBENVILLE, OHIO

Mr. BINGHAM. Mr. President, from the Committee on Commerce I report back favorably with amendments the bill (H. R. 9348) granting the consent of Congress to the Weirton Bridge & Development Co. for the construction of a bridge across the Ohio River near Steubenville, Ohio.

Mr. WILLIS. Mr. President, I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendments of the Committee on Commerce were, in section 1, page 2, line 3, after the word "act," to strike out "the construction of such bridge shall not be commenced, nor shall any alterations in the plans for the same be made either before or after its completion, until the plans and specifications for the bridge, or for alterations in the plans thereof, have been submitted to the Secretary of War and the Chief of Engineers, and approved by them as being adequate for the volume and weight of traffic that will pass over it"; in section 6, page 5, line 3, after the words "Secretary of," to strike out "agriculture" and insert "war"; in line 8, before the word "may," to strike out "agriculture" and insert "war"; in line 14, before the word "as," to strike out "agriculture" and insert "war"; and in line 15, before the word "mistake" to insert "gross."

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

WHITE RIVER BRIDGE, ARKANSAS

Mr. BINGHAM. From the Committee on Commerce I report back favorably with an amendment the bill (H. R. 7904) granting the consent of Congress to Harry E. Bovay, of Stuttgart, Ark., to construct, maintain, and operate a bridge across the White River, at or near the city of Des Arc, in the county of Prairie, in the State of Arkansas, and I submit a report (No. 675) thereon.

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendment of the Committee on Commerce was to strike out all after the enacting clause and in lieu thereof to insert:

That the consent of Congress is hereby granted to Des Arc Bridge Co., and to its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the White River, at a point suitable to the interests of navigation, between White River and Calhoun Townships, at or near the city of Des Arc, in the county of Prairie, in the State of Arkansas, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. The said Des Arc Bridge Co., and its successors and assigns, are hereby authorized to fix and charge tolls for transit over such bridge, and the rates so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in such act of March 23, 1906.

SEC. 3. After the date of completion of such bridge, as determined by the Secretary of War, either the State of Arkansas, any political subdivision thereof within which any part of such bridge is located, or two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and approaches, and interests in real property necessary therefor, by purchase or by condemnation in accordance with the law of such State governing the acquisition of private property for public purposes by condemnation. If at any time after the expiration of 15 years after the completion of such bridge it is acquired by condemnation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and approaches, less a reasonable deduction for actual depreciation in respect of such bridge and approaches, (2) the actual cost of acquiring such interests in real property, (3) actual financing and promotion costs (not to exceed 10 per cent of the sum of the cost of construction of such bridge and approaches and the acquisition of such interests in real property), and (4) actual expenditures for necessary improvements.

SEC. 4. If such bridge shall at any time be taken over or acquired by any municipality or other political subdivision or subdivisions of the State of Arkansas under the provisions of section 3 of this act, and if tolls are charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the cost of maintaining, repairing, and operating the bridge and its approaches, and to provide a sinking fund sufficient to amortize the amount paid for such bridge and its approaches as soon as possible under reasonable charges, but within a period of not to exceed 30 years from the date of acquiring the same. After a sinking fund sufficient to amortize the cost of acquiring the bridge and its approaches shall have been provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper care, maintenance, and operation of the bridge and its approaches. An accurate record of the amount paid for the bridge and its approaches, the expenditures for operating, repairing, and maintaining the same, and of daily tolls collected shall be kept, and shall be available for the information of all persons interested.

SEC. 5. The said Des Arc Bridge Co., or its successors and assigns, shall, within 90 days after the completion of such bridge, file with the Secretary of War a sworn itemized statement showing the actual original cost of constructing such bridge and approaches, including the actual cost of acquiring interests in real property and actual financing and promotion costs. Within three years after the completion of such bridge, the Secretary of War may investigate the actual cost of such bridge, and for such purpose the Des Arc Bridge Co., its successors and assigns, shall make available to the Secretary of War all of its records in connection with the financing and construction thereof. The findings of the Secretary of War as to such actual original cost shall be conclusive, subject only to review in a court of equity for fraud or gross mistake.

SEC. 6. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the said Des Arc Bridge Co., its successors or assigns, and any corporation to which such rights, powers, and privileges may be sold, assigned, or transferred, or which shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation.

SEC. 7. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. ROBINSON of Arkansas. That is the usual amendment to conform with the policy of the committee?

Mr. BINGHAM. It is.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill granting the consent of Congress to Des Arc Bridge Co. and its successors and assigns to construct a bridge across the White River at Des Arc, Ark."

TENNESSEE RIVER BRIDGE, HUMPHREYS AND BENTON COUNTIES, TENN.

Mr. BINGHAM. From the Committee on Commerce I report back favorably with amendments the bill (H. R. 9505) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Tennessee River on the Waverly-Camden road between Humphreys and Benton Counties, Tenn.

Mr. McKELLAR. Mr. President, I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendments of the Committee on Commerce were, in section 1, page 2, line 2, after the numerals "1906," to strike out the colon and the proviso "Provided, That such bridge shall not be constructed or commenced until the plans and specifications thereof shall have been submitted to and approved by the Secretary of War and the Chief of Engineers as being also adequate from the standpoint of the volume and weight of the traffic which will pass over it," and to insert a comma and "and subject to the conditions and limitations contained in this act"; and on the same page, after line 14, to strike out the following paragraph:

If tolls are charged for the use of such bridge, the proceeds therefrom shall be applied for the payment of expenditures necessary to properly maintain, operate, and repair such bridge and its approaches, and to provide a sinking fund for amortizing the cost of constructing the same; and the rates of toll shall be so adjusted as to pay such expenditures and to amortize such cost as early as practicable after the completion of the bridge. For that purpose the State highway department shall keep an accurate and itemized record of the cost of constructing such bridge, the expenditures incurred in maintaining, operating, and repairing the same, and of the daily tolls collected. After a sinking fund sufficient to repay the State of Tennessee for the cost of constructing such bridge has been provided from the tolls thereof, the same shall be maintained and operated as a free bridge.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

TENNESSEE RIVER BRIDGE AT SAVANNAH, TENN.

Mr. BINGHAM. From the Committee on Commerce I report back favorably with amendments the bill (H. R. 9503) granting permission to the State highway commission of the State of Tennessee to construct a bridge across the Tennessee River at Savannah, Hardin County, Tenn., on the Savannah-Selmer road.

Mr. McKELLAR. Mr. President, I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendments of the Committee on Commerce were, in section 1, page 2, line 1, after the numerals "1906," to strike out the colon and the following proviso: "Provided, That such bridge shall not be constructed or commenced until the plans and specifications thereof shall have been submitted to and approved by the Secretary of War and the Chief of Engineers as being also adequate from the standpoint of the volume and weight of the traffic which will pass over it," and insert a comma and "and subject to the conditions and limitations contained in this act"; and on the same page, after line 12, to strike out the following paragraph:

If tolls are charged for the use of such bridge, the proceeds therefrom shall be applied for the payment of expenditures necessary to properly maintain, operate, and repair such bridge and its approaches, and to provide a sinking fund for amortizing the cost of constructing the same; and the rates of toll shall be so adjusted as to pay such expenditures and to amortize such cost as early as practicable after the completion of the bridge. For that purpose the State highway

department shall keep an accurate and itemized record of the cost of constructing such bridge, the expenditures incurred in maintaining, operating, and repairing the same, and of the daily tolls collected. After a sinking fund sufficient to repay the State of Tennessee for the cost of constructing such bridge has been provided from the tolls thereof the same shall be maintained and operated as a free bridge.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CUMBERLAND RIVER BRIDGE, TENN.

Mr. BINGHAM. Mr. President, from the Committee on Commerce I report back favorably with amendments the bill (H. R. 9494) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Cumberland River on the Gainesboro-Red Boiling Springs road in Jackson County, Tenn.

Mr. McKELLAR. Mr. President, I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendment of the Committee on Commerce was, in section 1, page 2, line 2, after the numerals "1906," to strike out the colon and the following proviso: "Provided, That such bridge shall not be constructed or commenced until the plans and specifications thereof shall have been submitted to and approved by the Secretary of War and the Chief of Engineers as being also adequate from the standpoint of the volume and weight of the traffic which will pass over it," and insert a comma and "and subject to the conditions and limitations contained in this act."

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

TENNESSEE RIVER BRIDGE, PERRY AND DECATUR COUNTIES, TENN.

Mr. BINGHAM. From the Committee on Commerce I report back favorably with amendments the bill (H. R. 9506) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Tennessee River on the Linden-Lexington road in Perry and Decatur Counties, Tenn. I call the bill to the attention of the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I ask unanimous consent for the immediate consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendments of the Committee on Commerce were, in section 1, page 2, line 1, after the numerals "1906," to strike out the colon and the following proviso: "Provided, That such bridge shall not be constructed or commenced until the plans and specifications thereof shall have been submitted to and approved by the Secretary of War and the Chief of Engineers as being also adequate from the standpoint of the volume and weight of the traffic which will pass over it," and insert a comma and "and subject to the conditions and limitations contained in this act"; and on the same page, after line 13, to strike out the following paragraph:

If tolls are charged for the use of such bridge, the proceeds therefrom shall be applied for the payment of expenditures necessary to properly maintain, operate, and repair such bridge and its approaches, and to provide a sinking fund for amortizing the cost of constructing the same; and the rates of toll shall be so adjusted as to pay such expenditures and to amortize such cost as nearly as practicable after the completion of the bridge. For that purpose the State highway department shall keep an accurate and itemized record of the cost of constructing such bridge, the expenditures incurred in maintaining, operating, and repairing the same, and of the daily tolls collected. After a sinking fund sufficient to repay the State of Tennessee for the cost of constructing such bridge has been provided from the tolls thereof, the same shall be maintained and operated as a free bridge.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

LXVII—521

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NEELY:

A bill (S. 4108) granting an increase of pension to Mary F. Laird; to the Committee on Pensions.

By Mr. WILLIS:

A bill (S. 4109) granting an increase of pension to Katherine Wert (with accompanying papers); to the Committee on Pensions.

By Mr. TRAMMELL:

A bill (S. 4110) providing that freight, express, and passenger rates shall not be increased without authority of the Interstate Commerce Commission and providing that shippers shall be given at least 60 days' notice of hearings on application for increase of rates; to the Committee on Interstate Commerce.

A bill (S. 4111) providing for public notice relative to the selection of proposed sites and locations for post offices; to the Committee on Post Offices and Post Roads.

By Mr. FESS:

A joint resolution (S. J. Res. 101) authorizing the Joint Committee on the Library to procure an oil portrait of the late President Warren G. Harding; to the Committee on the Library.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the bill (S. 2982) to provide for the conveyance of certain land owned by the District of Columbia near the corner of Thirteenth and Upshur Streets NW., and the acquisition of certain land by the District of Columbia in exchange for said part to be conveyed, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4007) to amend an act approved June 20, 1910, entitled "An act to enable the people of New Mexico to form a constitution and State government and be admitted into the Union on an equal footing with the original States; and to enable the people of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States"; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SINNOTT, Mr. SMITH, and Mr. MORROW were appointed managers on the part of the House at the conference.

The message further announced that the House had passed bills of the following titles, in which it requested the concurrence of the Senate:

H. R. 5823. An act to amend the Code of Law for the District of Columbia in relation to the qualifications of jurors; and

H. R. 7286. An act to provide for the acquisition of property in Prince William County, Va., to be used by the District of Columbia for the reduction of garbage, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the concurrent resolution (H. Con. Res. 13) providing for the observance of May 15, 1926, as the one hundred and fiftieth anniversary of the passage of a resolution by the Virginia Convention of 1776 proposing that Congress make a declaration of independence and extending to the President and Congress of the United States an invitation to participate in a celebration at Williamsburg, Va.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker of the House had affixed his signature to the following enrolled bills and joint resolutions, and they were thereupon signed by the Vice President:

S. 43. An act authorizing the President to issue an appropriate commission and honorable discharge to Joseph B. Maccabe;

S. 493. An act for the relief of the owner of the steamship *British Isles*;

S. 494. An act for the relief of all owners of cargo aboard the American steamship *Almirante* at the time of her collision with the U. S. S. *Hisko*;

S. 553. An act for the relief of Fred V. Plomteaux;

S. 613. An act for the relief of Archibald L. Macnair;

S. 850. An act for the relief of Robert A. Pickett;

S. 959. An act for the relief of Tena Pettersen;

S. 977. An act for the relief of A. V. Yearsley;

S. 1360. An act for the relief of the estate of William P. Nisbett, sr., deceased;

S. 1481. An act to authorize the President to appoint Capt. Curtis L. Stafford a captain of Cavalry in the Regular Army;

S. 1486. An act to authorize the Secretary of War to lease to the Bush Terminal Railroad Co. and to the Long Island Railroad use of railway tracks at Army supply base, South Brooklyn, N. Y.;

S. 1519. An act for the relief of the P. Dougherty Co.;

S. 1609. An act to increase the pensions of those who have lost limbs, or have been totally disabled in the same, or have become totally blind in the military or naval service of the United States;

S. 1803. An act for the relief of Walter W. Price;

S. 1938. An act to issue a patent to John H. Bolton;

S. 2368. An act for the relief of Ocean Steamship Co. (Ltd.), a British corporation;

S. 3538. An act authorizing the Secretary of the Interior to pay legal expenses incurred by the Sac and Fox Tribe of Indians of Oklahoma;

H. R. 2009. An act for the relief of C. M. Rodefer;

H. R. 6773. An act to authorize the settlement of the indebtedness of the Kingdom of Italy to the United States of America;

H. R. 7372. An act to amend section 27 of the general leasing act approved February 25, 1920 (41 Stat. L. p. 437);

H. R. 8190. An act authorizing the construction of a bridge across the Colorado River near Blythe, Calif.;

H. R. 9758. An act granting the consent of Congress to the Vicksburg Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River at or near the city of Vicksburg, Miss.;

H. R. 9795. An act making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1927, and for other purposes;

H. R. 9831. An act to provide for the completion and repair of customs buildings in Porto Rico;

H. R. 9964. An act releasing and granting to the city of Chicago any and all reversionary rights of the United States in and to the streets, alleys, and public grounds in Fort Dearborn addition to Chicago;

H. R. 10164. An act granting the consent of Congress to Cape Girardeau Chamber of Commerce (Inc.), to construct, maintain, and operate a bridge across the Mississippi River at Cape Girardeau, Mo.;

H. R. 10351. An act granting the consent of Congress to the Natchez-Vidalia Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River at or near the city of Natchez, Miss.;

H. J. Res. 149. Joint resolution to provide for membership of the United States in the Central Bureau of the International Map of the World; and

H. J. Res. 150. Joint resolution to provide for the participation of the United States in a congress to be held in the city of Panama, June, 1926, in commemoration of the centennial of the Pan American Congress which was held in the city of Panama in 1826;

EXCHANGE OF LANDS IN NEW MEXICO

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 4007) to amend an act approved June 20, 1910, entitled "An act to enable the people of New Mexico to form a constitution and State government and be admitted into the Union on an equal footing with the original States; and to enable the people of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States," and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JONES of Washington. I move that the Senate insist upon its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. STANFIELD, Mr. SMOOT, and Mr. JONES of New Mexico conferees on the part of the Senate.

DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. PHIPPS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10198) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year

ending June 30, 1927, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 12, 13, 19, 21, 25, 26, 29, 30, 33, 34, 35, 36, 37, 38, 39, 63, 64, 68, 70, 71, 72, 75, 88, 89, 95, 103, and 104.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 22, 23, 24, 27, 28, 31, 32, 43, 44, 47, 48, 49, 50, 51, 52, 53, 54, 55, 59, 60, 61, 66, 73, 74, 76, 77, 78, 79, 81, 82, 83, 84, 85, 86, 87, 90, 91, 92, 93, 94, 96, 97, 98, 106, and 107, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "and no part of this appropriation shall be available for the compensation of any person giving less than full time from 9 o'clock antemeridian to 4.30 o'clock postmeridian to his official duties"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "Attorney at law, \$5,500, and for other"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "in all, \$46,120; and no part of this appropriation shall be available for the compensation of any person giving less than full time from 9 o'clock antemeridian to 4.30 o'clock postmeridian to his official duties"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$148,600"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$658,100"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$12,500"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "except Fourteenth Street extension beyond the southern boundary of Walter Reed Hospital Reservation"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "No part of any appropriation contained in this act shall be available for repairing, resurfacing, or newly paving any street, avenue, or roadway by private contract unless the specifications for such work shall be so prepared as to permit of fair and open competition in paving material as well as in price"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$267,500"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$272,500"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "including an assembly hall and gymnasium, \$100,000;

and the commissioners are authorized to enter into contract or contracts, as in this act provided, for said addition at a cost not to exceed \$400,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,320,000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: " : *Provided*, That no part of the appropriations herein made shall be expended for the purchase of any site the cost of which shall exceed the full value assessment of such property last made before purchase thereof plus 25 per cent of such assessed value: *Provided further*, That if any of the sites above enumerated can not be purchased under said limitation as to price then any of said moneys remaining unexpended or unobligated by reason of such price limitation may be expended, subject to said limitation as to price, in the purchase of any or all other land authorized to be acquired in the five-year school building program act, approved February 26, 1925 (43 Stat. p. 986).

"The unexpended balance of the appropriation of \$154,000 contained in the second deficiency act, fiscal year 1925, on account of the Park View School, is hereby reappropriated for the purchase of school buildings and playground sites authorized to be acquired in the five-year school building program act, approved February 26, 1925 (43 Stat. p. 986)"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "including compensation at the rate of \$1,860 per annum for the present assistant property clerk of the police department"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$80,000"; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "\$145,000 shall be available for expenditure below Benning Bridge and not more than \$25,000 shall be available immediately and remain available until July 1, 1928, for the purchase of necessary land above Benning Bridge: *Provided*, That the purchase price of any site or sites acquired hereunder shall not exceed the full value assessment last made before purchase thereof plus 25 per cent of such assessed value"; and the Senate agree to the same.

Amendment numbered 101: That the House recede from its disagreement to the amendment of the Senate numbered 101, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: " : *Provided*, That not more than \$150,000 of this appropriation shall be available for the purchase of sites without limitation as to price based on assessed value and that the purchase price to be paid for any site out of the remainder of the appropriation shall not exceed the full value assessment of such property last made before purchase thereof plus 25 per cent of such assessed value"; and the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "The Commissioners of the District of Columbia are directed to increase the scale of water rents in effect in the District of Columbia by 12½ per cent per annum for the fiscal year ending June 30, 1927: *Provided*, That such increase shall remain in effect until otherwise provided by law"; and the Senate agree to the same.

Amendment numbered 108: That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: " : *Provided further*, That no person shall be employed in pursuance of the authority contained in this para-

graph for a longer period than nine months in the aggregate during the fiscal year"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 46, 56, 100, 102, 109, and 110.

L. C. PHIPPS,
W. L. JONES,
CARTER GLASS,
JOHN B. KENDRICK,

Managers on the part of the Senate.

FRANK H. FUNK,
ROBERT G. SIMMONS,
GEORGE HOLDEN TINKHAM,
ANTHONY J. GRIFFIN,
ROSS A. COLLINS,

Managers on the part of the House.

The report was agreed to.

PROPERTY OF THE GOVERNMENT

Mr. McKELLAR. Mr. President, I present an editorial which appeared in the Washington Post entitled "Uncle Sam's property." I ask unanimous consent that it may be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Washington Post, April 20, 1926]

UNCLE SAM'S PROPERTY

The United States Government carries on the biggest business in the world, involving large sums of money and vast amounts of property, both personal and real. Yet the Government, unlike all other enterprises of vast proportions, never takes an account of stock to ascertain exactly or even approximately what its assets are. It knows its liabilities but not its assets, probably because it can add to its income and its assets almost without limit simply by taxing the people.

What is the Government's property? What are its assets? What is the size of its business?

In 1922 the national wealth of the United States was estimated at about \$320,800,000,000. Now it is probably something like \$350,000,000,000. This includes real estate, livestock, farm property, railways of all sorts, waterworks, private enterprises of a public-utility nature, farm and mine products, jewels, vehicles, gold and silver, etc. The wealth of the United States is said to be more than twice the national wealth of Great Britain and equal to the combined wealth of eight European countries, including Germany, Italy, Belgium, Turkey, and four others.

How much of this national wealth belongs to Uncle Sam? The average citizen sees very little of it outside of the buildings in Washington and post offices and customhouses elsewhere, or in some important harbor where war and other ships are anchored. The ordinary machinery of the Government operates at home and in all climes, yet its vast scope and the wealth and property involved are seldom realized.

Uncle Sam's property, roughly speaking, consists of land, buildings, equipments, forts, guns, ships, airplanes, canals, cash in the Treasury, and bills and notes receivable.

The land on which are located 80 public buildings and groups of buildings in Washington is worth about \$35,000,000, it is estimated. The buildings thereon cost approximately \$112,700,000. For public purposes they are worth no less now—perhaps between \$150,000,000 and \$160,000,000. The fixtures and furnishings are estimated to be worth \$75,000,000 more.

The property used and occupied by the 10 departments of the Government in different parts of the world is valued at approximately \$100,000,000. An inventory never has been taken. Perhaps it is an impossibility.

The property of the War Department, all told, is estimated at approximately \$225,000,000—perhaps \$250,000,000. This includes artillery, coast defenses, camps, posts and forts, stores, and equipment.

The total assets of the Navy Department on June 30, 1920, were about \$2,630,700,000. This figure has not increased since. Perhaps it has decreased because of the scrapping of ships.

The assets of the Departments of Interior, Commerce, and Agriculture are scattered all over the country, indeed all over the world. Outside of Washington the Interior Department has property estimated worth \$100,000,000. It has never been scheduled accurately. The property of the Commerce Department is estimated at more than \$75,000,000. The Department of Agriculture admits that an inventory is practically out of the question. The assets of the Justice and Labor Departments are comparatively small.

The Post Office Department property is estimated at something like \$150,000,000. The land and buildings coming under the Treasury Department are estimated at about \$500,000,000.

A conservative estimate of Uncle Sam's assets, real and personal property, ships, forts, canals, equipments, bills receivable, and all the rest is about \$20,000,000,000. But why not have an annual accounting so that the figures in the future will not be mere guesses or estimates?

PRESIDENTIAL APPROVALS

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed acts and joint resolutions of the following titles:

On April 22, 1926:

S. 3031. An act for the relief of George Barrett;

On April 24:

S. 124. An act for the relief of the Davis Construction Co.;

S. 3213. An act to provide for the disposition of moneys of the legally adjudged insane of Alaska who have been cared for by the Secretary of the Interior;

S. 3463. An act to extend the time for the exchange of Government-owned lands for privately owned lands in the Territory of Hawaii; and

S. 3627. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the State of North Dakota the silver service which was presented to the battleship *North Dakota* by the citizens of that State.

On April 26:

S. 549. An act for the relief of John H. Walker;

S. 2465. An act to amend the act entitled "An act to regulate foreign commerce by prohibiting the admission into the United States of certain adulterated grain and seeds unfit for seeding purposes," approved August 24, 1912, as amended, and for other purposes;

S. 2763. An act to amend section 103 of the Judicial Code as amended;

S. 3287. An act relating to the purchase of quarantine stations from the State of Texas;

S. J. Res. 30. Joint resolution authorizing the establishment of a commission to be known as the Sesquicentennial of American Independence and the Thomas Jefferson Centennial Commission of the United States, in commemoration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence; and

S. J. Res. 91. Joint resolution directing the Secretary of War to allot war trophies to the American Legion Museum.

CARLSBAD CAVERN, N. MEX.

Mr. BRATTON. Mr. President, I have before me an article written by Hon. Carl B. Livingston, of Carlsbad, N. Mex., entitled "Through the Carlsbad Cavern with Jim White." I ask that it may be inserted in the Record.

The VICE PRESIDENT. Without objection, it is so ordered. The article is as follows:

THROUGH THE CARLSBAD CAVERN WITH JIM WHITE

By Carl B. Livingston

"Everybody please step up and write your names on the register," announced Jim White, "so we'll know you're not left when we come out!" Jim is the first explorer and the head guide of the largest cavern in the world—the Carlsbad Cavern of New Mexico. The cavern was made a national monument by the proclamation of President Coolidge about two years ago.

We were waiting a couple of hundred feet down in a great funnel-like pit, the natural opening to the cavern. It was 10 o'clock in the forenoon. Upward was a rim of yellow cliffs and a splotch of turquoise sky; downward was space, eternal darkness, and silence.

The gate slid open and the crowd passed within; the gate closed and was locked with an ominous click—we were severed from the world, with our destinies weighing on Jim White and his staff of guides.

An excursion of phantom shadows, fairy realms, and ghostly stalagmites; giant hallways, skyscraper ceilings, and pits of hell—four hours of which brought us to rest in the huge spaces of the lower chamber.

"We're 3 miles back and 840 feet below the surface," remarked the explorer as he lit a fuse that began to sputter from the end of a magnesium flare. "Course we could go down nearly a thousand and maybe keep a-goin', but—"

Before he could finish the flare burst into a vivid white light like a prolonged flash of lightning. The inky cloud overhead dissolved and we saw the jeweled ceiling high above and the cliff-like walls standing far apart; the flare burnt out and once more depressing darkness closed in close around the cluster of lanterns.

"How did you ever manage to find your way into the lower chamber," I asked.

"Me and Pete Smith," Jim answered, "went off on a rope over the jump off in the big room and landed here in the lower chamber."

This lower chamber is just another colossal room under the big room; but we had reached the "basement" by the safe-and-easy route

of the "dude"—through steps down a sinkhole in the floor of the big room. Then a maze of winding passages and alluring hallways had led us into the great open space where we now stood in the middle of the lower chamber.

While the flare was burning, a jump-off had been pointed out as the great, ring-like hole a hundred feet overhead and several hundred feet in diameter. And Jim White and his comrade, Pete Smith, had gone that perilous route.

"Comin' back out on the rope," continued Jim, "I was kinda scared for Pete, because 'long toward the top he sorty kicked and fought the air. We had two ropes hangin' side by side; on one we would pull ourselves up a foot or two at a time, and at the same time the fellows helpin' us on top would jerk up the slack in the one that was tied to us. We made it back out without a scratch."

"But," he added, "before either of us topped out, we both was mighty near all in. And if it'd been another yard or two, I guess we'd a been down here yet."

Jim White is not the explorer with the pith helmet, tight-legged pants, and horn-rimmed glasses—but the genuine article of cowboy tradition. There is a difference between the "high-brow" explorer, with money and prestige as speedsters to fame, and the prowess of the pioneer who blazes the way over new horizons with just nothing, save a step that is true and a light in his eye that knows no fear. There was no crowd of reporters to hang on Jim's every word. Had he failed in his purpose, there would have been none of the soothing ointment of consolation that comes to explorers of position in the shape of "victorious defeat," when they do not succeed. Had Jim been killed, he would not have been a national martyr in the cause of science but just a "durn" fool—he did succeed, though, and the hats are off to him.

Jim White does not talk much, except to a few, and not very often then. And I have it straight that what he says is not "windys" invented to entertain the "dudes," and that there is much else he does not think worth while to mention—incidents that "could still be a thrill alongside those of an elephant hunter."

We had heard so much about the cavern we craved some of the simple facts from those who had really done the work, and we drew him out as best we could.

He was a sturdy-lean figure and even drawl. Down in the land of the unreal—of stalagmites and gloom—he sat cross-legged on the ground in the manner of the men of the range country; and while he deftly rolled cigarettes from the "makings" he glanced back over the vista of his life and recounted with little concern experiences that would lay the basis for a new Arabian Nights.

It was learned that a mining company had once conducted extensive operations in removing from the cavern vast deposits of guano in the half-mile section around the entrance.

Said Jim: "Twenty-five years ago I landed the first stick o' lumber upon the hill to build the shacks."

"We always knocked off on Sundays, and when the weather was bad—then was the time we explored! We had a happy-go-lucky bunch, too. Some of the boys used to love to set around all day and play cards, smoke and spit, and cuss until the air was blue. Others didn't seem to get so much of a kick out of it, and a few of them used to go exploring with me."

Sometimes his "pal" Pete went along; other times it was Lige Hill and Henry Samples, who are now guides and "know the cave like a pocket in a shirt and have been on the job ever since they have been yearlings."

"We'd never bite off mor'n we could chew," was their maxim. Only a little at a time did they explore, and when known landmarks became firmly fixed in mind they would push on farther.

In the early part of our visit we had followed a safe, zigzag trail through a gruesome pit, 150 feet deep, aptly called the "Devil's Den." The walls were so precipitous and irregular that the first attempts, with no trail and without knowing what lay ahead, must have been a horror.

"That was the hardest part o' the whole thing," Jim declared. "Finally I made it across the Devil's Den, and before I went on I made five or six trips across trying to find a better way."

We had next followed for several blocks through a colossal hall whose ceiling often rose so high as to be out of range of even the pocket searchlights. The official survey found the height to be about 300 feet—a ceiling high enough under which to stand a fair-sized skyscraper!

"Long there," Jim related, "we just kinda felt our way as we went. An' I didn't think much about danger until a mile back we run across the skeleton of a man layin' like he'd fell off a big rock. That nearly queered the whole business with me—for a while at least. I thought I'd cut it all out and say I'd seen enough, but all of a sudden I just went on and I found the King's Palace."

What is known as the "King's Palace" was recalled as a series of four great, mystic chambers whose decorations must have been patterned by nature after the myth of fairyland.

"And for a long time I thought the King's Palace was as far as the cave went, but one day while back there we climbed up a steep hill

into that big crack and follered it till it quit, and there was the big room.

"We spent a night and a part of two days wanderin' around over the big room, like bein' turned aloose out in a canyon pasture on one long, dark night with only oil torches for lights. Durin' then we come up on the edge of a bluff, the jump-off, and that was all I'd started in to tell."

"But how did you keep from getting lost?" I asked. "With this," Jim replied, picking up from the floor a piece of rotten string, which he had strung through portions of the cavern years ago as he made his exploration. We remained in appreciative silence, and he resumed, "The guano had been a hundred feet deep around the natural opening, but finally we begin to reach the rocks in the bottom. The works shut down, and everybody blowed up and left, but I kept hangin' on."

"Then I hit on the idea of takin' people through the cave to show 'em the sights, but I never expected to see such a crowd as all o' this!" waving a hand at the throng.

We were informed that miles more of the cavern was then explored; but people who lived right at the entrance did not believe that the cavern was so stupendous a thing. Only a few came to visit what may with propriety be called the "eighth wonder of the world," and not much impression was made on very many of these.

The fuse that set off the rocket of publicity by which the cavern became known is a young man by the name of Ray V. Davis, who came out and took many pictures of the cavern. Some of these photographs came into the hands of a Mr. Robert A. Holley of the United States Land Office, and he made a preliminary survey for the Government. Soon thereafter the cavern came speedily to the attention of others of influence, which resulted in the creation of a national monument.

We had entered the cavern by a tediously long, but safe, stairway through the new natural entrance, which route is "the way de luxe" as compared with the perils of the old entrance. During the mining days the guano had been hoisted out of the cavern through a shaft punched through the roof.

Later for some time the shaft was used as the entrance for tourists. The descent was 180 feet, through sheer space, in a mining bucket on the end of a steel cable.

"But we never did have any accidents around the cave," explained Jim, "except once in the mining days when a drunk man come stumblin' along and fell heels over head into the shaft. I was froze with fear, but the bucket, loaded with filled sacks, happened to be comin' up and was just enterin' the hole in the roof. Then up came the bucket and clinkin' on was our friend—when he put his foot on solid ground he shore was sober!"

Having seen a rat scamper across the floor of the big room, I inquired, "Have you ever seen life of any kind as far back as the lower chamber?"

"Yes; and farther, too—we chased a cave cat through this very room less'n a year ago; bones of other little animals have been picked up about as far back as anybody has ever been. It looks like there may be another entrance we don't know anything about."

"What do you consider the strangest thing during your explorations?" another queried.

"A runnin' stream down here in the lower chamber when Pete and me went over the jump-off in 1906. It run till 1907. When we have a few more wet years maybe the stream will start flowing again."

"And once I was walking along through a place in the cave we call Pipe Springs and I bumped into a stalactite; it broke off, and a stream of water gushed out like a hydrant open."

"What was the closest call you ever had?"

"Once, when used to use torches, I was carryin' some kerosine oil in a gunny sack slung over my shoulder. The oil sprung a leak. Walkin' just behind me was a feller carryin' one of them blazin' torches. The first thing I knew the man let that torch touch the sack, and my pack started goin' up in flames and me tied to it! I had a time breakin' loose from the pack, but I didn't get burnt much."

"Speakin' of bein' excited, a priest that weighed 300 pounds went as far as the Devil's Den, took a look, didn't like the looks o' things, and gave up the trip. That was the days when we pulled 'em up in the bucket. When the priest was about half way up, somethin' happened to the engine, and we had to stop and leave him where he was for a minute or two; then we started to let him back down under perfect control of the brakes, and I could hear him mumblin' somethin' like a prayer."

"It's funny how much alike most people are. In the first part of the cave where there is nothing pretty every crowd hollers, 'Oh, isn't it marvelous!'"

"Also nearly everybody asks if I don't think that this cave is connected with every other cave in this part of the country."

"People are imitators—one starts to peckin' on somethin', and then they all will start poundin' on whatever is handy. That's the reason we don't allow any walkin' sticks brought into the cavern, because they get to usein' 'em for clubs."

"People love to write their names. This is strictly agin the rules—to write on the scenery. They don't seem to realize that it took thousands of years for these formations to make."

"In the old days, when we used to let 'em take out a few souvenirs, people was great hands to lug out a lot o' junk to the surface where they would get a look at it and throw it away."

When a crowd starts into the cavern, we always give 'em the once over to see if anybody looks like he might not make the trip. It always makes 'em mad to turn 'em down, and we hate to do it. Some even try to slip through. Once a man with wood feet got by us when we used to use the bucket and shaft. He didn't go far—I found him layin' by the trail near the Devil's Den, and I packed him back out."

A couple of schoolma'ams showed up at the cavern with a dog. To see what he would do, we let him foller 'em through—and he kept right up with the crowd."

While most people are just about alike, some are the other way. Once I took a couple of big fat Jews. They was so lazy that they'd ask to be helped up ever' time they'd set down. After about a half day of tuggin' at them, I got fed up, and said, "Fellers, I'm feelin' kinda queer—I don't know whether I'll ever be able to make it out of here or not!" And you oughta seen them Jews come alive!

Among the queerest that have ever been around here was the scientists. I didn't pay much attention to them at first, but I found that every once in a while they would tell me somethin' that would keep us laughin' for a week."

When we first built the stairway a few people slipped into the cave before we could get the gate up. Up in the big room we run across a feller showin' his girl the cave—he was carryin' a lantern with one mantle broke off and with the other barely danglin' on. And when we asked him, he didn't think anything about fallin' through a sink-hole or perambulin' off over the jump-off."

"And down here in the lower chamber another man was found wanderin' around by his self. He didn't seem to know that he could have strayed off and got lost in some of the lanes where we do not go for several days and maybe months at a time. That's why we have visitors to register and why we keep the gate locked—we never take a chance on losin' anybody."

It was time to start back out, and the crowd began to move. "Hay-a-a!" Jim called to a group that had started on. "You're goin' the wrong direction—back the other way!"

"You see," he added, "how easy it is to get turned around. Who can tell which way is north?"

As many guessed one way as another, and we fully realized the satisfying feeling of safety in having such men as these guides, who know the cavern "like a pocket in a shirt."

While we paused on a hill for a renewal of breath, Jim confided that he had just finished paying out a home by "herding dudes" through the cavern, he had a wife that could cook, and a boy in school. "But little Jim is not to be a cave explorer when he grows up, because the job's too dangerous for what you get out of it, and besides there won't likely be anything left to explore by then."

At last upon the surface, the sinking sun was spreading a panorama in cerise and purple across the heavens. Following Jim, the waiting cars slipped away, one at a time, through the shadows into the desert back to town—Carlsbad—the starting and the ending point, where we left our pilot of the underground to be picked up by the next party with the same curious ideas and funny questions.

SETTLEMENT OF LATVIAN INDEBTEDNESS

Mr. SMOOT. I ask that the Latvian debt settlement bill be laid before the Senate and proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6776) to authorize the settlement of the indebtedness of the Government of the Republic of Latvia to the Government of the United States of America.

Mr. SMOOT. Mr. President, much was made on yesterday in the discussion because of the fact that Latvia had paid her indebtedness to France and Norway in full. I think it is due to the Senate to call attention to the manner in which Latvia paid off her indebtedness to those countries and how she paid it. I think there will be no question about the advantage to Latvia in doing so.

We will first take France. The total indebtedness of Latvia to France was 11,811,372 francs. She paid off in depreciated francs that whole amount, which cost her less than \$400,000.

Take Norway. Latvia owed Norway 6,738,127 crowns. She paid off her indebtedness in depreciated crowns at a cost of less than \$700,000. She paid France, perhaps, too quickly for her advantage, because if she had waited until to-day and paid France in francs, she would not have paid more than 10 per cent of her original indebtedness to France. As it stands, she paid only about 25 per cent of that indebtedness, because of the fact that she took the advantage of paying those countries in depreciated currency.

Mr. NORRIS. Mr. President, may I interrupt the Senator from Utah?

Mr. SMOOT. Yes.

Mr. NORRIS. But Latvia paid according to her contract.

Mr. SMOOT. Certainly.

Mr. NORRIS. Latvia owed crowns and she paid crowns; she owed francs and she paid francs.

Mr. SMOOT. That is true.

Mr. NORRIS. She proffered a legal tender according to her contract for the payment of her debts.

Mr. SMOOT. It was understood, of course, that the payment to France would be in gold francs, but there was nothing in the contract to that effect, and I will say to the Senator from Nebraska that I myself think that Latvia lived strictly up to the contract.

Mr. NORRIS. Exactly.

Mr. SMOOT. But Latvia took advantage of the situation and paid off the obligation which she originally made with France at 25 per cent of its valuation at the time it was incurred.

Mr. HOWELL. Mr. President, will the Senator from Utah yield to me?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. Yes.

Mr. HOWELL. I should like to ask the Senator from Utah, is it not a fact also that the obligations of Latvia were contracted in depreciated francs?

Mr. SMOOT. I do not remember exactly what the value of the franc was at the time Latvia's obligation was incurred. More than likely at the time the obligation was incurred its value had decreased from perhaps 19.65 cents to about 15 cents. Now the value of the franc is down to 3 cents. Latvia, however, took advantage of the depreciation of the franc at the time she made the settlement, because she did not think the franc was ever going lower than at the time she paid her debt. If she had for a moment thought that the franc was going lower than it was at that time, she would have paid her indebtedness for less than the \$400,000, the amount she did then pay to France.

Mr. HOWELL. As a matter of fact, is it not true that at the time Latvia contracted her indebtedness with France the franc was worth about 11 cents?

Mr. SMOOT. No, Mr. President.

Mr. HOWELL. Does the Senator from Utah know just about what date Latvia's indebtedness to France was incurred?

Mr. SMOOT. It was during the year 1918, not later than that, I will say to the Senator. When I was in France two years ago I paid 11 cents for francs.

Mr. HOWELL. But does the Senator know the value of the franc in 1918? What was the franc worth in that year?

Mr. SMOOT. I will say to the Senator that it was higher than 11 cents.

Mr. HOWELL. Does the Senator know what the quotation was?

Mr. SMOOT. I can not say exactly, but I think it was worth about 15 cents.

Mr. HOWELL. The franc depreciated very materially and its value was lower in 1918.

Mr. SMOOT. Does the Senator know what it was worth then?

Mr. HOWELL. My impression is that it was round about 11 or 12 cents.

Mr. NORRIS. Let me ask the Senator what difference does it make what the franc was worth at any time? Latvia contracted a debt and it was payable in francs. She paid it literally according to the contract, as I understand, and no one questions it. It was a perfectly honest deal.

Mr. SMOOT. I am calling attention to this matter because yesterday the idea was attempted to be conveyed to the Senate that Latvia is not treating the United States as she treated Norway.

Mr. NORRIS. She is not.

Mr. SMOOT. And that she is not treating the United States as she treated France.

Mr. NORRIS. She was not.

Mr. SMOOT. Suppose we had a paper money like that of France?

Mr. NORRIS. We did not have; our debt is payable in dollars.

Mr. SMOOT. No; it is payable in gold.

Mr. NORRIS. I do not care whether you call it dollars or cents or gold. The debt Latvia owed to France was payable in francs; she complied with the contract; we could not have any objection to make, and would not make any. There is a difference, it seems to me.

Mr. SMOOT. Very well, let it be said that there is a difference, but I wish to say—

Mr. NORRIS. Everybody can understand what the facts are.

Mr. SMOOT. The reason Latvia paid her debts to France and Norway was because of the fact that she was able almost to secure their practical cancellation. That was the reason she paid them off. She could not do that in the case of her debt to the United States; she can not borrow the money, and she has not the resources with which to pay the United States.

I wanted to say that much, Mr. President, in relation to the statement which was made yesterday.

Mr. REED of Missouri. Mr. President, I think the Senate is about in the humor to give some more money away, and nothing can prevent the consummation so devoutly wished for by the international bankers, by the foreign countries that owe us money, and by the servants and agents and employees of those interests who are Members of Congress. So I do not intend to take very much time this morning in discussing this settlement with Latvia.

I will inquire of the Senator from Utah what is the exact amount of the debt? I had the figures here yesterday, but my papers have been taken away.

Mr. SMOOT. The funded debt of Latvia, with interest added, is \$5,775,000.

Mr. REED of Missouri. So less than \$6,000,000 of the peoples' money is at stake, and what is the use of spending time with a trifle of that sort? Yesterday afternoon we spent about two hours and a half discussing a question of cutting \$1,000 per annum from the salary of a man who has worked here faithfully for 30 years. If that measure went through—and I did not wait to see what action was taken—it will be heralded throughout the country as another great triumph of economy, and the next campaign will witness the tall and majestic form of the Senator from Utah, as he stands like Saul among his people towering above the multitude, proclaiming the economy régime of Calvin Coolidge. I can see him now, with tears of sympathy rolling down his face for this clerk who lost his health in the service of the Senate, telling the people of Utah and the remainder of the country how his heart bled for this faithful man, but that, in the interest of economy and following the glorious flag of Calvin Coolidge he had saved the taxpayers \$1,000 per annum. However, he will not be saying very much about the billions of money he voted to take from the American people and turn over to foreign nations.

Judging from recent performances, I think once in the past, there must have been a Calvin Coolidge and possibly a Republican Party, because many, many years ago there was an old maxim that comes down to us from the lips of our fathers, telling us about gentlemen who waste at the bung hole and save at the spigot. The Coolidge administration is the finest illustration of a Vermont economist carefully guarding the spigot and the barrel, while not only the bung hole but both heads of the barrel are knocked out that has yet been furnished.

This settlement with Latvia is not only wasteful but idiotic. Let me give attention for the moment to the apology just made by the Senator from Utah [Mr. SMOOT], which was to the effect that Latvia had paid France and Norway in depreciated money, the argument being that if she had paid them in depreciated money she ought not to pay us in anything. In the first place, the argument was punctured by the Senator from Nebraska [Mr. NORRIS] when he asked whether they had not borrowed money that was depreciated.

They borrowed the kind of money from France that France had, and it was depreciated when they borrowed it, and the kind of money that Norway had, and it was depreciated when they borrowed it; and they paid those countries back in the very kind of money which they had agreed to pay, and they paid those nations back in exactly the kind of money used by private debtors in those nations in paying off their creditors and in exactly the kind of money those governments were paying off their debts to their own people. So that little toy balloon that went up this morning, shining with all the attractive colors of one of these balloons that are sold on the street corners and are doctored up to dazzle the eyes of the kiddies as they drive along the street, was punctured, and did not have enough gas in it even to make a good loud report.

But let me tell you why this settlement is idiotic: Because long before the 62 years will have run Latvia will have ceased to be, in all human probability. I would rather have 25 cents on the dollar from Latvia to-day in gold coin of the United States than to have this contract.

Latvia was a province of Russia, and Latvia will be a province of Russia again just as soon as the Russian Government

gets a little stronger and gets ready to reach out its powerful hand and take Latvia in again. By every rule of common sense and by every rule of national life and by every principle of economics Latvia is a part of the great country of Russia. She is so situated that her own economic life and her own prosperity depend upon her amalgamation with Russia. She is so situated that it is necessary to the development of the great Russian people that she should be under the flag of Russia; and no temporary regulation by interested peoples or interested countries outside will ever stand against these great and resistless forces.

This country was born on the 17th day of November, 1917. Its final elections did not take place until April 17, 1920. Its first legislative assembly was organized on May 1, 1920. It is bounded on the north by the Gulf of Riga and Esthonia, and on the east by Russia, and on the south by Lithuania and Poland, and on the west by the Baltic Sea; and Russia will go to the Baltic Sea just as we would go to the Gulf of Mexico if a little fringe of the coast were held by a small and powerless country.

Latvia could not exist a day against Russia's demand—not an hour—if Russia were to see fit to make the demand, unless it were supported and backed by Germany or by France or by Great Britain; and in the course of a few years, in my judgment, it will beyond any doubt be absorbed again into Russia. So that when we extend a debt for 62 years with a country of that kind we to all intents and purposes cancel the debt. They may be presently prosperous; they may presently have some wise statesmen; but Russia will go to the sea. One hundred and eighty million people can not be held back from the water front, and Latvia will disappear.

Mr. President, while I have the floor I want to call attention to the fact that the improvident settlement we made with Italy and some of these other settlements will form a precedent for a demand by Great Britain for a readjustment of her debt.

Mr. SMOOT. Mr. President, I will say to the Senator that Great Britain has already declared that they would not form a precedent. She said she had no objections whatever to our making any kind of a settlement with any country that we chose to make.

Mr. REED of Missouri. Very well. When the Senator says Great Britain has done that, whom does he mean by Great Britain?

Mr. SMOOT. I mean the official head of the British Government.

Mr. REED of Missouri. That may be changed to-morrow; and I am going to call attention to some evidence of the fact that it may be changed very soon.

Let us see. You came in here asking us to approve the British settlement. I protested at that time, and others did the same thing, against settling with Great Britain on any terms except the terms provided in the bills of Congress under which we borrowed the money from the American people. I called attention at that time to the fact that if we were compelled to pay $4\frac{1}{4}$ per cent interest on this money we got from our people and loaned to Great Britain, and if Great Britain were to pay the interest she is to pay under the contract, and if the interest were compounded, it would mean a loss to the United States of \$22,000,000,000. The answer was twofold: First, that we could refund our indebtedness for a less rate of interest than we are now paying—a thing which may happen and which may never happen. The other answer was that we had obtained from Great Britain the last cent she could pay; that economic conditions in Great Britain were bad; that she was burdened with an immense debt; that her people were staggering under its weight, and this was all Great Britain could pay, and we had better take this or we would get nothing. That exact expression was used—that we would get no settlement—and so, under that stress, we voted for the British settlement. I voted against it. Some others voted against it—not very many.

Now we are told that this British debt settlement, exacted from us on the representations I have just referred to, is the high-water mark; that because we made that settlement with Great Britain we have no right to ask any other nation to pay us any greater sum. If that is logical, then I want to know why Great Britain has not a perfect right to turn around to the United States and say, "You exacted from us a certain settlement. You have since settled with other nations that are solvent nations for a less sum, and we demand the same kind of treatment."

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. REED of Missouri. Yes.

Mr. SMOOT. But Great Britain herself has made different settlements with the very countries with which we have made

settlements. She recognizes that their situations are different, and she has not demanded the last dollar that they owed her; and she has not settled with any two of them upon the same terms.

Mr. REED of Missouri. What kind of an answer would that be for us to make to this demand of Great Britain? Besides, if you speak of the Italian debt, you know, sir—I have the documents to prove it—that a part of the agreement made with Italy at the time she entered the war was that she was to receive great favors from her allies, and at the time the money was loaned to her by Great Britain there was an understanding that the full amount would not be exacted in return. Great Britain is simply carrying out the agreement she made and paying the price that she agreed to pay Italy for Italy's entrance into the war; and so far as her settlements with other countries are concerned she doubtless has her own reasons for those settlements.

But, Mr. President, we are told that the British Government have informed us that they will not use the settlements we have made with other countries as a reason for demanding a readjustment with us. Two observations with reference to that: How did you come to be talking about that with the British? Had they mentioned it? Had you feared that it would be used as a precedent? And, second, who is the British Government? It has its representatives to-day, but an adverse vote in Parliament may change the British Government to-morrow, and the new British Government will have its own policies.

I presume Winston Churchill is to-day making the speech that is here predicted. I am reading from the Public Ledger of Philadelphia of last Monday morning a cable from London, in which it is stated:

The budget speech of Winston Churchill, Chancellor of the Exchequer * * * is awaited with the greatest interest because of its promised discussion of the international debts.

His followers will be disappointed if he does not reassert his leadership of the campaign for the ultimate reduction of the European contributions to America.

The statement is made that he has not given out the speech, but that is what he is expected to say. I do not know whether he said it or not. I know that when there is great public pressure in the British Isles upon these men who are already on record against the settlement, we are likely to have exactly that kind of a declaration. But I am not going to be unfair enough to the Senate to say that the statement has been made. I am awaiting news as to that.

Mr. SMOOT. Mr. President, the Senator does not believe England could afford to do that, does he?

Mr. REED of Missouri. I do not think any of these countries can afford to repudiate their debts.

Mr. SMOOT. Particularly England. England has been the creditor nation of the world—

Mr. REED of Missouri. Yes.

Mr. SMOOT. And she has never yet repudiated a bond given by her, and I do not believe she ever will repudiate one.

Mr. REED of Missouri. I hope she will not, and I have frequently had occasion to point to Great Britain as a nation that has a high sense of honor with reference to her financial obligations. I called the Senator's attention to that when he was making the settlement with Great Britain, and told him Great Britain would pay if we insisted. He replied that this was the last dollar we could get from Great Britain, and if we did not make this settlement we would get nothing.

Mr. SMOOT. I did not say we would get nothing in the end.

Mr. REED of Missouri. That we would get no settlement.

Mr. SMOOT. I said we would get no settlement, and I say so again.

Mr. REED of Missouri. Very well. Let us see how keen she was then. We had Great Britain's solemn written obligation, signed, sealed, and delivered, that she would pay back this money dollar for dollar; that she would pay 5 per cent interest; that she would give us the kind of bonds stipulated in our act of Congress. She refused to do it, and the Senator said that if we did not take her terms, we would get no settlement, and now the Senator says she always redeems every obligation.

Mr. SMOOT. I said bonded obligation.

Mr. REED of Missouri. Bonded obligation? What is a bond? "I promise to pay to John Jones \$1,000" is a promissory note or a bond, just as the individual sees fit to call it. Both of them are bonds. There is no difference between a bond and a promissory note whatsoever, except that the term "bond" is usually applied to an instrument that runs a considerable length of time, and commonly in this country it is secured in some way. But when issued by a government, it has no security generally but the faith and credit of a people.

There has been a constant insistence in Great Britain that this settlement is improvident, and I shall be surprised if Great Britain does not come forward and say, "You have settled with these other countries upon terms so much better than ours, and we insist upon the right to reform our agreement."

Mr. DILL. Mr. President, will the Senator yield?

Mr. REED of Missouri. I yield.

Mr. DILL. I wanted to say just one word in comment about the boast of the Senator from Utah that England never would repudiate her bonds. Of course, if the representatives of the Government of the United States make agreements canceling the bonds or the agreements England has already made, calling them settlements, she does not need to repudiate, but it is in effect a repudiation and nothing else. That is the worst feature of all these settlements. We are enabling these governments to repudiate their bonded obligations which we hold in the Treasury, and say to the world that they have made settlements.

Mr. REED of Missouri. Mr. President, I want to read further from this article in the Public Ledger. It states:

The reported agreement for the payment of the French debt to America gives Mr. Churchill just the ammunition he wants. If it proves correct that the average French payments to America will be \$120,000,000, the British are free to increase the annuities they are going to exact from the French.

The British agreement with the French contains the famous "pari passu" clause, whereby the British maintain their rights to collect at the same rate from France as America collects from them. On this basis the British, who have agreed to be satisfied with \$62,500,000 yearly, will be in a position to ask for nearly \$100,000,000.

The strategy of an early settlement with France is now clear. Mr. Churchill is happily placed at present in that he can ask for the full \$100,000,000 and let America bear the onus of his demand, or he can make a great play for French friendship by being more generous than America.

Mr. President, I have before me an article which appeared in the New York American of Monday, April 26, signed by H. H. Stansbury, which reads in part as follows:

British financial observers consider any settlement of the French debt to the United States containing a security clause, written or implied, as a mere gesture to avert a new crisis through loans from American bankers.

Premier Briand informed the Senate and the Paris press unambiguously claims the existence of a satisfactory secret understanding to reopen the agreement after ratification should it be found burdensome. The British experts make these points:

1. British skepticism is founded on general knowledge that any agreement not approved by the United States Senate is not binding, and certainly is not binding on the next administration.

You see, Mr. President, the word seems to be out all over the world that there has been really a secret agreement with the French.

Mr. SMOOT. Between England and France?

Mr. REED of Missouri. No; between this country and France.

Mr. SMOOT. I will say to the Senator that there has not been.

Mr. REED of Missouri. I do not think the Senator has been in the agreement. I do not think the Senator has anything to do with these agreements. I think they are made by Mr. Mellon. I think Mr. Mellon tells the boys what to do, and they do it.

Mr. SMOOT. The Senator is wrong there.

Mr. REED of Missouri. This article continues:

2. France has made no move to enforce taxation that will yield the required revenue, although the national wealth is thirteen times greater than Italy's. There is no political figure in sight strong enough to end the tax evasion.

Now, listen to these figures, for we were told that France had an income tax—and she has; but let us see what happens to it:

In 1924 less than 20,000 Frenchmen declared incomes within the scale of \$5,000 to \$10,000. Less than 10,000 admitted larger incomes.

They have an income tax, but they do not make any income-tax returns.

In a 10-day visit to France, just ended, this correspondent found prosperity everywhere. Farmers and shopkeepers are richer than ever, but are hiding their wealth from tax collectors as of old.

Building operations are going on on a vast scale. The people are well dressed and happy, but lack confidence in their Government.

No gold or silver is in sight, only the greatly depleted paper franc, with nothing behind it.

The London Times observer comments:

"Confidence in the ability and power of France to pay has practically vanished. It is the old story of flying kites which pass from hand to hand, like bills of semibankrupts, to be discounted at higher and higher rates until the crash comes. France wants a Mussolini who will bring an economical administration for the next 10 years."

There is the story. They simply will not pay taxes, and I repeat, when the French debt settlement comes here, I propose to demand that for any concessions we may make France shall cede to us her islands in the West Indies, which constantly menace the United States, and particularly the Panama Canal.

Mr. CARAWAY. Mr. President—

The PRESIDING OFFICER (Mr. BINGHAM in the chair). Does the Senator from Missouri yield to the Senator from Arkansas?

Mr. REED of Missouri. I yield.

Mr. CARAWAY. Has the Senator any doubt about the French debt settlement already being agreed upon, but that they are pretending that they are having a disagreement, demanding more? Does the Senator really think that is fooling anybody?

Mr. REED of Missouri. Of course I do not want to speculate as to facts, which the Senator from Utah—

Mr. CARAWAY. I do not think the Senator from Utah knows it is settled, but I think it is agreed upon.

Mr. SMOOT. I will say to the Senator—

Mr. REED of Missouri. Of course there has not been a settlement. Nobody has signed on the dotted line.

Mr. CARAWAY. They will do that later on.

Mr. REED of Missouri. But I think there is a pretty fair understanding, or all the world would not have the same impression. Whether there is or is not an understanding, what difference does it make? We know that when the agreement is brought here it will be an agreement which was written by the French.

Mr. SHIPSTEAD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. REED of Missouri. I yield.

Mr. SHIPSTEAD. The French Government has a monopoly of the sale of tobacco in France. The French Government has a monopoly of the telephone and telegraph systems of France. If the French Government would be willing to transfer those Government monopolies to a corporation of which New York bankers would hold 51 per cent of the stock, does the Senator think that might smooth the way for a settlement with the French Government of the interallied debts?

Mr. REED of Missouri. I think there would still be an accentuated bankers' influence back of any French settlement with this Government. Of course if they were going to get more money, they would be that much more interested.

Mr. SHIPSTEAD. Will the Senator let me ask another question?

Mr. REED of Missouri. Certainly.

Mr. SHIPSTEAD. Does the Senator think that it is possible to have any settlement of these debts without having the bankers in the background?

Mr. REED of Missouri. I think that has been the situation. I think it is the situation to-day as never before. I think the financial interests as completely control this Congress as the financial interests controlled the Congress that licensed and set in motion the first great national bank, which Andrew Jackson afterwards had to destroy. I am not charging and do not charge and do not intimate that the influences are as sinister, but a recent historian has demonstrated that a large percentage of that Congress were stockholders and interested in the very bank they were creating. Since that day when corruption laid its leprous hands upon the throat of Congress, there has never been such a spectacle as we now see of complete subservience to the demands of the great financiers.

Mr. SHIPSTEAD. Mr. President, may I ask the Senator another question?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. REED of Missouri. I do.

Mr. SHIPSTEAD. The Senator introduced a resolution asking for an investigation of the forces that have been doing considerable propaganda work in connection with these settlements. There have been charges made that New York bankers have been using these debts as a club upon foreign governments in order to get concessions. We have even heard

that a proposition of a loan of \$500,000,000 was under consideration when Caillaux was over here to obtain a settlement for his Government, and that the proposition had something to do with the transfer of the government monopolies of France to corporations controlled by private bankers, and that he refused to consider any settlement of that kind or any loan of that kind on those terms. I would be very anxious to know if the Senator's resolution would not cover that situation. If it is true that Caillaux refused to accept a loan on those conditions I want to take off my hat to him. He acted like a patriot. He acted to preserve the sovereignty of his Government. I would like to know if it is true and if the Senator thinks his resolution would cover that matter.

Mr. REED of Missouri. I think my resolution would cover it, but the trouble is that my resolution is covered. It has been smothered. We have been recessing from day to day, and, I think, largely for the purpose of preventing resolutions of that kind from coming up for consideration. When I offered my resolution present consideration of it was objected to, and it had to go over one day under the rule, and we prevent that day occurring legislatively by recessing instead of adjourning. I have no hope we will get any light. The only light that will come to us streams from the tall pinnacle of Utah. He tells us it is so, and does not tell us why, and we are expected to accept it. I do not challenge his word, but I frequently question his judgment.

Mr. President, I want to call attention to an article in the Washington Herald of April 26. It is a news article by the Universal Service, reading as follows:

The French Parliament must ratify an agreement on American terms for funding France's \$4,000,000,000 debt before the American money market will be available for flotation of additional private credits, it was learned on high authority yesterday.

While it is not doubted that Ambassador Berenger will first haggle and then accept counter proposals for substantially larger payments, about to be submitted by the American Debt Commission, his signature alone will not be sufficient to open the coffers of Wall Street.

Only imperative need of a loan—

Now, hear this—

Only imperative need of a loan has driven France to seek a settlement, with her officials waiting at the scratch for a race to the banking offices.

"Inspired" dispatches from Paris within 48 hours, whatever their intent, have served to create an atmosphere of doubt in Washington that Premier Briand will be able to obtain ratification of a satisfactory agreement by Parliament.

With American investors growing distrustful of foreign loans, the belief prevails that a large French issue can not be satisfactorily floated until the debt agreement has actually been accepted by the French Parliament.

The American Debt Commission will meet to-day to agree upon changes France will be asked to make in its original proposal submitted by Berenger last Friday.

The ambassador, it is understood, is ready to submit a supplemental proposal which he discussed with Secretary Mellon during the informal negotiations.

Of course the commissions have not agreed on anything. Just the French statesmen and the American Secretary of the Treasury, Mr. Mellon, have been having conferences, and that is all.

Mr. CARAWAY. I think they will tell the commission some time during the week.

Mr. REED of Missouri. And then the commission will tell us.

Mr. CARAWAY. Oh, no.

Mr. REED of Missouri. They will not tell us what took place. They will tell us what to do.

Here is a statement as to the result:

It anticipates American objections to the amount of payments, and also increases the aggregate amount from the present figure of \$6,700,000,000 to above \$7,000,000,000.

The initial annual figures ultimately will be increased to \$30,000,000 or more, it is understood.

The original Berenger-Briand substitute for Joseph Caillaux's "safe-guard" clause also is said to be modified so as to conform more nearly to wishes of the Americans, who have declared themselves unalterably opposed to anything approximating a "contingent" agreement.

Let me ask the Senator from Utah if he has not understood that a conference has taken place between Mr. Mellon and some of the French representatives?

Mr. SMOOT. Does the Senator mean in the way of preliminary discussion?

Mr. REED of Missouri. Yes.

Mr. SMOOT. I think so, but I will also say, in relation to any safety clause referred to in the article which he has just read, that I shall not report any kind of a safety clause in any settlement that we make with France.

Mr. REED of Missouri. I am glad to know that there is one point so vital and so bad that even the Senator from Utah will declare "They shall not pass." I am glad to know that. But the reason for the French settlement and the offers of it and the tenders of it are laid bare in this article. They want to borrow money, and they can not borrow money while the nation stands there branded as a repudiator. If we will but stand firm, this great powerful nation that masses the largest army on earth, that is engaged in conquering foreign peoples and robbing them of their lands, that is creating the greatest fleet of war vessels to sail the air that was ever conceived—this great and powerful nation, this wealthy nation, will pay its debt, and it will pay it, if for no other or better reason, because its credit will be gone until it does pay it, and it can not secure money elsewhere.

Mr. President, there may be others who want to speak on this question and I yield the floor with the full knowledge that there is no fact that could be produced, there is no argument that could be made, there is no appeal that could be uttered that would break the strangle hold the financial institutions of the country have upon the present Congress. Their bidding will be done, and the pity of it all is, though the American people shall repudiate their acts at the next election, as I believe the people will, that the contracts will have been signed, the money will be gone, the billions will be wasted, and the taxpayer of the United States will groan under the heavy burden shifted from European shoulders where it honestly belongs to his shoulders where it is dishonestly placed.

The bill was reported to the Senate without amendment, ordered to a third reading, and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. SMOOT. I ask for the yeas and nays.

The yeas and nays were ordered and the Chief Clerk proceeded to call the roll.

Mr. McKELLAR (when Mr. Tyson's name was called). The junior Senator from Tennessee [Mr. TYSON] is unavoidably absent. He is paired with the Senator from Ohio [Mr. WILLIS].

Mr. WILLIS (when his name was called). On this vote, as has been stated by the senior Senator from Tennessee [Mr. McKELLAR], I am paired with the junior Senator from Tennessee [Mr. TYSON]. Upon inquiry, however, I find that were the junior Senator from Tennessee present he would vote as I intend to vote. Therefore, I feel free to vote. I vote "yea."

The roll call was concluded.

Mr. CURTIS. I desire to announce the absence of my colleague, the junior Senator from Kansas [Mr. CAPPER], on account of illness in his family. Were he present, he would vote "yea."

Mr. BROUSSARD. I am paired with the senior Senator from New Hampshire [Mr. MOSES], who is unavoidably absent. If he were present, he would vote as I intend to vote. Therefore I will vote. I vote "yea."

Mr. BRATTON. I have a general pair with the junior Senator from Indiana [Mr. ROBINSON]. If permitted to vote, I should vote "nay."

Mr. GERRY. I desire to announce that the Senator from Nevada [Mr. PITTMAN] is absent on account of illness.

Mr. TRAMMELL. I wish to announce the unavoidable absence of my colleague, the senior Senator from Florida [Mr. FLETCHER]. He is paired with the junior Senator from Delaware [Mr. DU PONT] who is also absent on account of illness.

Mr. JONES of Washington. I desire to announce that the Senator from Delaware [Mr. DU PONT], the Senator from Maine [Mr. FERNALD], the Senator from Vermont [Mr. GREENE], the Senator from Indiana [Mr. ROBINSON], the Senator from Minnesota [Mr. SCHALL], the senior Senator from Pennsylvania [Mr. PEPPER], the junior Senator from Pennsylvania [Mr. REED], and the Senator from Missouri [Mr. WILLIAMS] are necessarily absent, and that, if present, they would vote "yea."

I also desire to announce the following general pairs:

The Senator from Minnesota [Mr. SCHALL] with the Senator from Montana [Mr. WALSH];

The senior Senator from Pennsylvania [Mr. PEPPER] with the senior Senator from South Carolina [Mr. SMITH]; and

The junior Senator from Pennsylvania [Mr. REED] with the senior Senator from Delaware [Mr. BAYARD].

The result was announced—yeas 50, nays 18, as follows:

YEAS—50

Ashurst	Edwards	Keyes	Sackett
Bingham	Ernst	King	Shortridge
Broussard	Ferris	Leuroot	Simmons
Bruce	Fess	McLean	Smoot
Butler	Gerry	McMaster	Stanfield
Cameron	Gillett	McNary	Steck
Caraway	Goff	Mearns	Wadsworth
Copeland	Hale	Metcalf	Warren
Couzens	Harrell	Oddie	Watson
Curtis	Harrison	Overman	Weller
Dale	Jones, N. Mex.	Phipps	Willis
Deneen	Jones, Wash.	Pine	
Edge	Kendrick	Ransdell	

NAYS—18

Blease	Heflin	Mayfield	Sheppard
Borah	Howell	Neely	Shipstead
Dill	Johnson	Norris	Trammell
Frazier	La Follette	Nye	
Harris	McKellar	Reed, Mo.	

NOT VOTING—28

Bayard	George	Pepper	Stephens
Bratton	Glass	Pittman	Swanson
Capper	Gooding	Reed, Pa.	Tyson
Cummins	Greene	Robinson, Ark.	Underwood
du Pont	McKinley	Robinson, Ind.	Walsh
Fernald	Moses	Schall	Wheeler
Fletcher	Norbeck	Smith	Williams

So the bill was passed, as follows:

Be it enacted, etc., That the settlement of the indebtedness of the Government of the Republic of Latvia to the Government of the United States of America made by the World War Foreign Debt Commission and approved by the President upon the terms and conditions as set forth in Senate Document No. 8, Sixty-ninth Congress, first session, is hereby approved in general terms as follows:

The amount of the indebtedness to be funded, after allowing for cash payments made by Latvia, is \$5,775,000, which has been computed as follows:

Principal amount of obligations to be funded.....	\$5,132,287.14
Interest accrued and unpaid thereon to Dec. 15, 1922, at the rate of 4½ per cent per annum.....	647,275.62
Total principal and interest accrued and unpaid as of Dec. 15, 1922.....	5,779,562.76
To be paid in cash by Latvia upon execution of agree- ment.....	4,562.76
Total indebtedness to be funded into bonds.....	5,775,000.00

The principal of the bonds shall be paid in annual installments on December 15 of each year up to and including December 15, 1934, on a fixed schedule, subject to right of the Government of the Republic of Latvia to make such payments in three-year periods. The amount of the first year's installment shall be \$28,000, the annual installments to increase until the sixty-second year, the amount of the final installment will be \$228,000, the aggregate installments being equal to the total principal of the indebtedness to be funded into bonds.

The Government of the Republic of Latvia shall have the right to pay off additional amounts of the principal of the bonds on any interest date upon 90 days' advance notice.

Interest on the bonds shall be payable semiannually on June 15 and December 15 of each year at the rate of 3 per cent per annum from December 15, 1922, to December 15, 1932, thereafter at the rate of 3½ per cent per annum until final payment.

The Government of the Republic of Latvia shall have the option, with reference to payments on account of principal and/or interest falling due on or before December 15, 1930, under the terms of the agreement, to make the following payments on the dates specified: June 15, 1926, \$30,000; December 15, 1926, \$30,000; June 15, 1927, \$35,000; December 15, 1927, \$35,000; June 15, 1928, \$40,000; December 15, 1928, \$40,000; June 15, 1929, \$45,000; December 15, 1929, \$45,000; June 15, 1930, \$50,000; December 15, 1930, \$50,000; total \$400,000, and to pay the balance, including interest on all overdue payments at the rate of 3 per cent per annum in bonds of Latvia, dated December 15, 1930, bearing interest at the rate of 3 per cent per annum from December 15, 1930, to December 15, 1932, and thereafter at the rate of 3½ per cent per annum, such bonds to mature serially on December 15 of each year up to and including December 15, 1934, substantially in the same manner and to be substantially the same in other respects as the bonds of Latvia received at the time of the funding of the indebtedness.

Any payments of interest or of principal may be made at the option of the Republic of Latvia, in any United States Government obligations issued after April 6, 1917, such obligations to be taken at par and accrued interest.

SETTLEMENT OF ESTHONIAN INDEBTEDNESS

Mr. SMOOT. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of the bill (H. R. 6775), to authorize the settlement of the indebtedness of the Republic of Esthonia to the United States of America.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the settlement of the indebtedness of the Republic of Esthonia to the United States of America, made by the World War Foreign Debt Commission and approved by the President upon the terms and conditions as set forth in Senate Document No. 7, Sixty-ninth Congress, first session, is hereby approved in general terms as follows:

The amount of the indebtedness to be funded after allowing for the cash payment made by Esthonia and the credit set out below is \$13,330,000, which has been computed as follows:

Principal amount of obligations to be funded.....	\$13,999,145.60
Credit allowed for total loss of cargo on sinking of steamship <i>John Russ</i> , sunk by a mine in Baltic Sea.....	1,932,923.45
Interest accrued and unpaid thereon to Dec. 15, 1922, at the rate of 4½ per cent a year.....	12,066,222.15
Total principal and interest accrued and unpaid as of Dec. 15, 1922.....	1,765,219.73
To be paid in cash by Esthonia upon execution of agreement.....	13,831,441.88
Total indebtedness to be funded into bonds.....	1,441.88
	13,830,000.00

The principal of the bonds shall be paid in annual installments on December 15 of each year up to and including December 15, 1934, on a fixed schedule, subject to the right of the Republic of Esthonia to make such payments in three-year periods. The amount of the first year's installment shall be \$69,000, the annual installments to increase until the sixty-second year. The amount of the final installment will be \$530,000, the aggregate installments being equal to the total principal of the indebtedness to be funded into bonds.

The Republic of Esthonia shall have the right to pay off additional amounts of the principal of the bonds on any interest date upon 90 days' advance notice.

Interest on the bonds shall be payable semiannually on June 15 and December 15 of each year at the rate of 3 per cent per annum from December 15, 1922, to December 15, 1932, and thereafter at the rate of 3½ per cent per annum until final payment.

The Republic of Esthonia shall have the option with reference to payments on account of principal and/or interest falling due on or before December 15, 1930, under the terms of the agreement, to make the following payments on the dates specified: June 15, 1926, \$50,000; December 15, 1926, \$50,000; June 15, 1927, \$75,000; December 15, 1927, \$75,000; June 15, 1928, \$100,000; December 15, 1928, \$100,000; June 15, 1929, \$125,000; December 15, 1929, \$125,000; June 15, 1930, \$150,000; December 15, 1930, \$150,000; total, \$1,000,000; and to pay the balance, including interest on all overdue payments, at the rate of 3 per cent per annum, in bonds of Esthonia, dated December 15, 1930, bearing interest at the rate of 3 per cent per annum from December 15, 1930, to December 15, 1932, and thereafter at the rate of 3½ per cent per annum, such bonds to mature serially on December 15 of each year up to and including December 15, 1934, substantially in the same manner and to be substantially the same in other respects as the bonds of Esthonia received at the time of the funding of the indebtedness.

Any payment of interest or of principal may be made, at the option of the Republic of Esthonia, in any United States Government obligations issued after April 6, 1917, such obligations to be taken at par and accrued interest.

Mr. SMOOT. Mr. President, I desire to say just a few brief words in explanation of the bill.

An agreement for the settlement of the Esthonian indebtedness to the United States on substantially the same basis as the settlement made with Poland was signed on October 28, 1925. I ask unanimous consent to have printed in the Record a copy of the agreement, together with a copy of a schedule showing the amounts of principal and interest payable annually under the agreement. The agreement with Esthonia has already been printed in the Record, but I desire it to appear also in connection with what I have to say, and therefore I ask that it may be reprinted in the Record at this point.

The PRESIDING OFFICER. Without objection, the agreement referred to will be printed in the Record.

The agreement is as follows:

Agreement, made the 28th day of October, 1925, at the city of Washington, D. C., between the Republic of Esthonia, hereinafter called Esthonia, party of the first part, and the United States of America, hereinafter called the United States, party of the second part

Whereas Esthonia is indebted to the United States as of December 15, 1922, upon obligations in the aggregate principal amount of \$13,999,145.60, together with interest accrued and unpaid thereon; and

Whereas Esthonia desires to fund said indebtedness to the United States, both principal and interest, through the issue of bonds to the

United States, and the United States is prepared to accept bonds from Esthonia upon the terms and conditions hereinafter set forth;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Amount of indebtedness: The amount of the indebtedness to be funded, after allowing for cash payments made or to be made by Esthonia and the credit set out below, is \$13,830,000, which has been computed as follows:

Principal amount of obligations to be funded.....	\$13,999,145.60
Credit allowed for total loss of cargo on sinking of steamship John Russ, sunk by a mine in Baltic Sea.....	1,932,923.45
	12,066,222.15
Interest accrued and unpaid thereon to Dec. 15, 1922, at the rate of 4½ per cent a year.....	1,765,219.73
Total principal and interest accrued and unpaid as of Dec. 15, 1922.....	13,831,441.88
To be paid in cash by Esthonia upon execution of agreement.....	1,441.88
Total indebtedness to be funded into bonds.....	13,830,000.00

2. Repayment of principal: In order to provide for the repayment of the indebtedness thus to be funded Esthonia will issue to the United States at par as of December 15, 1922, bonds of Esthonia in the aggregate principal amount of \$13,830,000, dated December 15, 1922, and maturing serially on each December 15 in the succeeding years for 62 years, in the amounts and on the several dates fixed in the following schedule:

Dec. 15—		Dec. 15—	
1923.....	\$69,000	1955.....	\$195,000
1924.....	71,000	1956.....	202,000
1925.....	73,000	1957.....	209,000
1926.....	75,000	1958.....	217,000
1927.....	78,000	1959.....	224,000
1928.....	80,000	1960.....	232,000
1929.....	82,000	1961.....	240,000
1930.....	85,000	1962.....	249,000
1931.....	88,000	1963.....	257,000
1932.....	90,000	1964.....	266,000
1933.....	92,000	1965.....	275,000
1934.....	95,000	1966.....	285,000
1935.....	98,000	1967.....	295,000
1936.....	101,000	1968.....	305,000
1937.....	105,000	1969.....	316,000
1938.....	109,000	1970.....	327,000
1939.....	113,000	1971.....	339,000
1940.....	117,000	1972.....	350,000
1941.....	121,000	1973.....	363,000
1942.....	125,000	1974.....	375,000
1943.....	129,000	1975.....	388,000
1944.....	134,000	1976.....	402,000
1945.....	138,000	1977.....	416,000
1946.....	143,000	1978.....	431,000
1947.....	148,000	1979.....	446,000
1948.....	153,000	1980.....	461,000
1949.....	159,000	1981.....	477,000
1950.....	165,000	1982.....	494,000
1951.....	170,000	1983.....	511,000
1952.....	176,000	1984.....	530,000
1953.....	182,000		
1954.....	189,000		
		Total.....	13,830,000

Provided, however, That Esthonia, at its option upon not less than 90 days' advance notice to the United States, may postpone any payment falling due as hereinabove provided, except those falling due on or before December 15, 1930, hereinafter referred to in paragraph 5 of this agreement, to any subsequent June 15 or December 15 not more than two years distant from its due date, but only on condition that in case Esthonia shall at any time exercise this option as to any payment of principal, the payment falling due in the next succeeding year can not be postponed to any date more than one year distant from the date when it becomes due unless and until the payment previously postponed shall actually have been made, and the payment falling due in the second succeeding year can not be postponed at all unless and until the payment of principal due two years previous thereto shall actually have been made.

3. Form of bond: All bonds issued or to be issued hereunder to the United States shall be payable to the Government of the United States of America, or order shall be issued in such denominations as may be requested by the Secretary of the Treasury of the United States, substantially in the form set forth in the exhibit hereto annexed and marked "Exhibit A," and shall be signed for Esthonia by its envoy extraordinary and minister plenipotentiary at Washington, or by its other duly authorized representative. The \$13,830,000 principal amount of bonds first to be issued hereunder shall be issued in 62 pieces in denominations and with maturities corresponding to the annual payments of principal hereinabove set forth.

4. Payment of interest: All bonds issued or to be issued hereunder shall bear interest, payable semiannually on June 15 and December 15 in each year, at the rate of 3 per cent a year from December 15, 1922, to December 15, 1932, and thereafter at the rate of 3½ per cent a year until the principal thereof shall have been paid.

5. Method of payment: All bonds issued or to be issued hereunder shall be payable, as to both principal and interest, in United States gold coin of the present standard of value, or, at the option of Esthonia, upon not less than 30 days' advance notice to the United States in any

obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment hereunder: *Provided, however,* That with reference to the payments on account of principal and/or interest falling due hereunder on or before December 15, 1930, Esthonia, at its option, may pay the following amounts on the dates specified:

June 15, 1926.....	\$50,000	June 15, 1929.....	\$125,000
Dec. 15, 1926.....	50,000	Dec. 15, 1929.....	125,000
June 15, 1927.....	75,000	June 15, 1930.....	150,000
Dec. 15, 1927.....	75,000	Dec. 15, 1930.....	150,000
June 15, 1928.....	100,000		
Dec. 15, 1928.....	100,000	Total.....	1,000,000

And the balance, including interest on all overdue payments at the rate of 3 per cent a year from their respective due dates, in bonds of Esthonia, dated December 15, 1930, bearing interest at the rate of 3 per cent a year from December 15, 1930, to December 15, 1932, and thereafter at the rate of 3½ per cent a year until the principal thereof shall have been paid, such bonds to mature serially on December 15 of each year up to and including December 15, 1984, substantially in the manner provided in paragraph 2 of this agreement, and to be substantially similar in other respects to the bonds first to be issued hereunder.

All payments, whether in cash or in obligations of the United States, to be made by Esthonia on account of the principal of or interest on any bonds issued or to be issued hereunder and held by the United States, shall be made at the Treasury of the United States in Washington, or, at the option of the Secretary of the Treasury of the United States, at the Federal Reserve Bank of New York, and if in cash shall be made in funds immediately available on the date of payment, or if in obligations of the United States shall be in form acceptable to the Secretary of the Treasury of the United States under the general regulations of the Treasury Department governing transactions in United States obligations.

6. Exemption from taxation: The principal and interest of all bonds issued or to be issued hereunder shall be paid without deduction for, and shall be exempt from, any and all taxes or other public dues, present or future, imposed by or under authority of Esthonia or any political or local taxing authority within the Republic of Esthonia, whenever, so long as, and to the extent that beneficial ownership is in (a) the Government of the United States, (b) a person, firm, or association, neither domiciled nor ordinarily resident in Esthonia, or (c) a corporation not organized under the laws of Esthonia.

7. Payments before maturity: Esthonia, at its option, on any interest date or dates, upon not less than 90 days' advance notice to the United States, may make advance payments in amounts of \$1,000 or multiples thereof on account of the principal of any bonds issued or to be issued hereunder and held by the United States. Any such advance payments shall first be applied to the principal of any bonds which shall have been issued hereunder on account of principal and/or interest accruing between December 15, 1922, and December 15, 1930, and then to the principal of any other bonds issued hereunder and held by the United States as may be indicated by Esthonia at the time of the payment.

8. Exchange for marketable obligations: Esthonia will issue to the United States at any time, or from time to time, at the request of the Secretary of the Treasury of the United States, in exchange for any or all of the bonds issued or to be issued hereunder and held by the United States, definitive engraved bonds in form suitable for sale to the public, in such amounts and denominations as the Secretary of the Treasury of the United States may request, in bearer form, with provision for registration as to principal, and/or in fully registered form, and otherwise on the same terms and conditions as to dates of issue and maturity, rate or rates of interest, exemption from taxation, payment in obligations of the United States issued after April 6, 1917, and the like as the bonds surrendered on such exchange. Esthonia will deliver definitive engraved bonds to the United States in accordance herewith within six months of receiving notice of any such request from the Secretary of the Treasury of the United States, and pending the delivery of the definitive engraved bonds will deliver, at the request of the Secretary of the Treasury of the United States, temporary bonds or interim receipts in form satisfactory to the Secretary of the Treasury of the United States within 30 days of the receipt of such request, all without expense to the United States. The United States, before offering any such bonds or interim receipts for sale in Esthonia, will first offer them to Esthonia for purchase at par and accrued interest, and Esthonia shall likewise have the option, in lieu of issuing any such bonds or interim receipts, to make advance redemption, at par and accrued interest, of a corresponding principal amount of bonds issued or to be issued hereunder and held by the United States. Esthonia agrees that the definitive engraved bonds called for by this paragraph shall contain all such provisions, and that it will cause to be promulgated all such rules, regulations, and orders as shall be deemed necessary or desirable by the Secretary of the Treasury of the United States in order to facilitate the sale of the bonds in the United States, in Esthonia, or elsewhere, and that if requested by the Secretary of the Treasury of the United States, it will use its good offices to secure the listing of the bonds on such stock exchanges as he may request.

9. Cancellation and surrender of obligations: Upon the execution of this agreement, the payment to the United States of cash in the sum of \$1,441.88, as provided in paragraph 1 of this agreement, and the delivery to the United States of the \$13,830,000 principal amount of bonds of Esthonia first to be issued hereunder, together with satisfactory evidence of authority for the execution of this agreement and the bonds on behalf of Esthonia by its envoy extraordinary and minister plenipotentiary at Washington, or by its other duly authorized representative, the United States will cancel and surrender to Esthonia, at the Treasury of the United States in Washington, the obligations of Esthonia in the principal amount of \$13,999,145.60 described in the preamble to this agreement.

10. Notices: Any notice, request, or consent under the hand of the Secretary of the Treasury of the United States shall be deemed and taken as the notice, request, or consent of the United States, and shall be sufficient if delivered at the legation of Esthonia at Washington or at the office of the Minister of Finance in Tallinn; and any notice, request, or election from or by Esthonia shall be sufficient if delivered to the American legation at Tallinn or to the Secretary of the Treasury at the Treasury of the United States in Washington. The United States in its discretion may waive any notice required hereunder, but any such waiver shall be in writing and shall not extend to or affect any subsequent notice or impair any right of the United States to require notice hereunder.

11. Compliance with legal requirements: Esthonia represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement and the issuance of bonds hereunder have been completed as required by the laws of Esthonia and in conformity therewith.

12. Counterparts: This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof Esthonia has caused this agreement to be executed on its behalf by its envoy extraordinary and minister plenipotentiary at Washington, thereunto duly authorized, subject, however, to the approval of the State Assembly, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, as chairman of the World War Foreign Debt Commission, with the approval of the President, subject, however, to the approval of Congress, pursuant to the act of Congress approved February 9, 1922, as amended by the act of Congress approved February 28, 1923, and as further amended by the act of Congress approved January 21, 1925, all on the day and year first above written.

THE REPUBLIC OF ESTHONIA,

By A. PIIP,

Envoy Extraordinary and Minister Plenipotentiary.

THE UNITED STATES OF AMERICA,

(For the World War Foreign Debt Commission.)

By A. W. MELLON,

Secretary of the Treasury and Chairman of the Commission.

Approved:

CALVIN COOLIDGE, President.

EXHIBIT A

(Form of bond)

THE REPUBLIC OF ESTHONIA

No. —.

The Republic of Esthonia, hereinafter called Esthonia, for value received, promises to pay to the Government of the United States of America, hereinafter called the United States, or order, on December 15, —, the sum of — dollars (\$—), and to pay interest upon said principal sum semiannually of June 15 and December 15 in each year, at the rate of 3 per cent a year from December 15, 1922, to December 15, 1932, and at the rate of 3½ per cent a year thereafter until the principal hereof shall have been paid. This bond is payable as to both principal and interest in gold coin of the United States of America of the present standard of value, or, at the option of Esthonia, upon not less than 30 days' advance notice to the United States, in any obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment hereunder.

This bond is payable as to both principal and interest without deduction for, and is exempt from, any and all taxes and other public dues, present or future, imposed by or under authority of Esthonia or any political or local taxing authority within the Republic of Esthonia, whenever, so long as, and to the extent that beneficial ownership is in (a) the Government of the United States, (b) a person, firm, or association neither domiciled nor ordinarily resident in Esthonia, or (c) a corporation not organized under the laws of Esthonia. This bond is payable as to both principal and interest at the Treasury of the United States in Washington, D. C., or at the option of the Secretary of the Treasury of the United States at the Federal Reserve Bank of New York.

This bond is issued under an agreement dated October 28, 1925, between Esthonia and the United States, to which this bond is subject and to which reference is hereby made.

In witness whereof Esthonia has caused this bond to be executed in its behalf at the city of Washington, D. C., by its — at Washington, thereunto duly authorized, as of December 15, 1922.

THE REPUBLIC OF ESTHONIA,

By —.

Mr. SMOOT. Mr. President, the principal amount of the obligations funded was \$13,999,145.60. Against this amount there was credited \$1,932,923.45 on account of the loss of a cargo on the sinking of the steamship *John Russ* when it was struck by a mine in the Baltic Sea in September, 1919. The debt was funded as of December 15, 1922. Interest to that time, calculated at the rate of 4¼ per cent, amounted to \$1,765,219.73. This was added to the principal of the debt less the credit referred to. Esthonia paid in cash upon the execution of the agreement \$1,441.88, leaving a total indebtedness to be funded into bonds of \$13,830,000.

The principal of the indebtedness so funded is to be repaid over a period of 62 years with interest at the rate of 3 per cent per annum for the first 10 years and 3½ per cent per annum thereafter. As in the Polish agreement, Esthonia is permitted to make certain smaller cash payments for the first five years following the execution of the agreement in lieu of the larger payments called for in the schedule submitted. These amounts aggregate \$1,000,000. The balance remaining unpaid is refunded at the end of five years at the rates of interest called for in the agreement.

Esthonia as a part of Russia was an ally of the United States in the early days of the Great War. She declared her independence shortly after the Bolshevik revolution in 1917. The country was invaded and devastated by the Germans and later by the Bolsheviks. Early in 1919 the American Relief Administration, through Mr. Hoover, came to the aid of her starving people. Great Britain also furnished much assistance. During 1919 Esthonia, acting through her agents in Paris, bought over \$12,000,000 worth of our surplus war supplies. When these supplies were purchased the Esthonian Government was virtually without resources and without proper organization. It took what supplies we had to give and was only concerned with getting them as quickly as possible. It had no funds for insurance. While it may be true that technically legal delivery was made to Esthonia before the goods left France, nevertheless, the commission felt that there was some justification in the position taken by the Esthonian representative and that a debt settlement could not be made unless a credit was allowed. It believed that it was best to grant the concession requested and effect a settlement of the debt rather than to postpone a settlement indefinitely. The credit was accordingly authorized by the commission on October 9, 1925.

Mr. President, as I have stated, the principal amount of the obligation was \$13,999,145.60. The amount of the indebtedness on June 16, 1925, with the credit already stated, was \$13,830,000. The amount to be paid during the 62-year period is \$33,331,140, so the present value of the settlement is 80.55 per cent.

Mr. OVERMAN. It is about the same as the settlement with Latvia?

Mr. SMOOT. It is exactly the same as the Polish settlement, with the credit which was given for the loss of the cargo on the ship which was sunk.

Mr. President, if there are any questions desired to be asked, I will be glad to answer them, if possible. If not, I should like to have a vote.

Mr. KING. Mr. President, on the 22d day of March, 1920, I offered a resolution in the Senate calling attention to the revolution in Russia in November, 1917, which placed a bolshevik régime in power in that unhappy country. The resolution referred to the separate governments which had been constituted in Esthonia, Latvia, and Lithuania, and which were preventing Bolshevik usurpations, and each of which was functioning and giving evidence of stability.

I asked in the resolution that the Government of the United States recognize the de facto existence of the governments established and existing in each of said countries. The resolution did not ask that de jure recognition be accorded. Personally I believed that the people residing in Latvia, Esthonia, and Lithuania desired permanent separation from Russia and wished to have governments of their own. However, in deference to the views of some Senators and others in the United States I prepared the resolution so that it would accord with their ideas. In so doing I hoped to obtain support which otherwise, I knew, would not be given the resolution.

Notwithstanding the fact that the inhabitants of these three countries had been under Russian rule and their countries had constituted a part of the great Russian Empire, there were many things which differentiated the Latvians, Estonians, and Lithuanians from the Slav Empire.

I have no purpose to discuss the origin of the peoples of Latvia, Estonia, and Lithuania or the differences—ethnological and racial—between them and the Russian people. I believed that the people of these three states were entitled to independence and that with their thrift, industry, culture, education, and moral qualities they would establish and maintain liberal governments and free institutions. I knew something of the virtues, the fine qualities, and national aspirations of the peoples of these States. Their situation during the war had been most tragic. Over their territory had passed invading and retreating armies, and their soil had been baptized with the blood of thousands who died upon sanguinary battle fields.

When Russia abandoned its place as a belligerent in the World War and succumbed to the evil influence of Bolshevism, the inhabitants of Latvia, Estonia, and Lithuania refused to submit to communistic rule and determined to establish and maintain independent governments founded upon republican lines. It required physical and moral courage to carry out these designs. Years of war had wrought devastation and destruction of life and property. The bolshevik government was a menacing foe and a powerful adversary. There were internal problems, in part political, but largely industrial and economic, which seemed unsolvable and which called for courage and faith of an almost sublime character to meet.

But the people were undaunted by reason of the dangers and difficulties and obstacles in their pathway which had to be surmounted if they were to succeed. They laid the foundations of their respective governments on liberalism and in democracy. They had lived under autocratic government and knew the evils of absolutism. They were inspired by the history of this great Republic and animated by the principles of liberty of which the American people are exponents. Above all, they had courage and confidence in themselves and felt that the time had come to realize their national aspirations and to set up governments under which they might live and work out their own destinies and develop the great and noble qualities with which the peoples of these countries are so richly endowed.

I was anxious that this Republic should be among the first to welcome them into the family of nations. For more than a century the United States has exhibited the deepest interest in all democratic movements, no matter in what land or clime they originated. The efforts of the Central and South American countries to emancipate themselves from Spanish rule evoked not only profound interest but generous and almost exuberant enthusiasm in the United States, and when Greece and other countries of Europe many years ago attempted to achieve independence, the American people in many ways and with unrestrained emotion gave evidence of their desire that success would crown their efforts.

Mr. President, with all the faults of the American people, they are sincerely devoted to liberty and to the triumph of democratic principles. They want not only freedom for the people of this land but they desire the same blessings for peoples of all lands. The American people are profoundly moved when they learn that misfortunes and sorrows have come to other peoples. They are deeply stirred when they learn of oppression and tyranny and famine and flood and tragedy. With all of their materialism, they are idealistic and rejoice in the achievements and victories that come to the inhabitants of the remotest corners of the earth.

The weak and the small nations are as dear to American hearts as are the powerful and the strong. They appreciate the benefits of local self-government and recognize that progress and moral, spiritual, and cultural growth may come to a homogeneous people, even though their numbers may be small.

The American people desire that small States shall have all the rights of large States and that the blessings of liberty shall be the patrimony of all. And so they feel a keen interest in Latvia, Estonia, and Lithuania, as well as all other nations born as the result of the World War. They feel that the United States is in part responsible for the birth of these States, and look with pride upon their development and unmistakable evidences of stability and uninterrupted progress. Our Government extended loans to them in the early days of their existence, and each of these debtors has exhibited a desire to discharge every obligation and to meet every honorable demand.

I am glad that a settlement has been made with respect to the obligations due from Latvia, Estonia, and Lithuania to the United States, and shall vote for the settlement presented

by the Debt Commission, which has been negotiated with Estonia and Lithuania, as I voted a few moments ago for the settlement presented which had been entered into with Latvia. It has been my pleasure to know the representatives of these States who have visited our shores and who have spoken for their countries. They have been men of culture and ability. They have been worthy representatives of free peoples and of progressive and democratic States.

I wish for the people of these States abundant prosperity and happiness and also those national blessings which come from the possession and application of the principles of justice and liberty.

Mr. HOWELL. Mr. President, from my knowledge of this debt settlement I feel that the Senate has not been fully informed respecting the amount thereof.

I had asked the Treasury Department for a statement of the balance of this account upon the Treasury books, and I regret to say that the statement did not include all that Estonia owed the United States.

I happen to have a statement from the Statesman's Year Book which indicates that the debt of Estonia to the United States at the present time is between \$17,000,000 and \$18,000,000; and after correcting the statement afforded by the Treasury Department it appears that up to December 15, 1922, the amount of the debt was approximately \$16,414,000. However, it will be noted that the settlement is made as of a date four years ago, and as a consequence interest upon the amount of the debt is not included for those four years. However, it will undoubtedly be urged that Estonia will pay, upon the amount funded, 3 per cent interest for the four years. Nevertheless, the fact that this settlement is made as of a date four years ago, although only concluded last fall, indicates that every means has been sought by the Treasury Department and by the Debt Commission to reduce the apparent amount of this indebtedness to our people.

I found, by investigating this settlement, that there was not included in the statement that had been afforded me by the Treasury Department the value of a cargo of goods sold to Estonia, amounting to something more than \$1,900,000.

Mr. SMOOT. But the Senator did not have to go very far to find it. It is in the President's message that was read; it is in the agreement here, and now it is spoken of to-day. The Treasury Department, so far as I know, never issued a statement on the subject.

Mr. HOWELL. Mr. President, I do not mean to state that the fact that this item had been deducted has not been rendered evident by the statements that have been made; but I do mean to say that the statement afforded me by the Treasury Department as to the balance upon the Treasury books—and I have it in my hand—did not include that \$1,900,000. As a consequence, a statement which I have previously made upon the floor of the Senate as to what this settlement means is erroneous.

Mr. SMOOT. What is the principal amount of the obligation to be refunded, if it is not according to the agreement?

Mr. HOWELL. Mr. President, in answer to the question of the Senator from Utah I will state that the amount afforded me by the Treasury Department, according to a statement which I hold in my hand, as due from Estonia as of date December 15, 1922, was \$14,142,000.

Mr. SMOOT. In every report I have before me and in the President's message it is given as \$13,999,145.60.

Mr. HOWELL. Oh, yes, Mr. President; that is what the Debt Commission has asserted in every statement it has made. It has made reference to the amount refunded as if it were the debt owed, but the amount refunded is the actual debt less the initial cancellation made by the Debt Commission.

Mr. SMOOT. No; the Senator is wrong again. The publications specifically state, in every one of them—

Obligations of foreign governments held by the United States Treasury, together with interest accrued remaining unpaid thereon as of the last interest period prior to or ending with November 15, 1925.

In the agreement here it is exactly the same, and in the report of the Treasury Department it is exactly the same.

Mr. HOWELL. Mr. President, I hand to the Senator from Utah the statement afforded me by the Treasury Department.

Mr. SMOOT. Has the Senator there a letter transmitting it?

Mr. HOWELL. I have not, Mr. President.

Mr. SMOOT. There is a difference here of one hundred and some odd thousand dollars.

Mr. HOWELL. I think the Senator will not deny that that is a statement afforded me by the Treasury Department.

Mr. SMOOT. Of course, this is only on a blank piece of paper. I do not know who prepared it.

Mr. HOWELL. The Senator has beside him an official of the Treasury Department from whom I secured these data, and

I think the Senator will be able to inform himself as to the correctness of my statement.

Mr. SMOOT. Of course, I do not know anything about this, Mr. President. I do know that all the statements that have been made of the obligations, not only in the President's message but in the statement of the Secretary of the Treasury and in the agreements between the United States and the different countries, agree to the very cent.

Mr. HOWELL. The fact is that this is a statement that was afforded me by the Treasury Department. The further fact is that it does not include this cargo to which I have referred, valued at one million nine hundred and some odd thousand dollars. If the cargo were included, and the statements were made on the basis of 5 per cent interest—the interest that Esthonia agreed to pay—the total debt as of the date stated would amount to about \$16,414,000.

The first step that was taken by the Debt Commission was to afford Esthonia an initial cancellation of \$2,583,000. Then the Debt Commission proceeded to fund the debt upon that basis.

Mr. SIMMONS. Mr. President, may I inquire of the Senator what was the reason for that initial cancellation?

Mr. HOWELL. I will call attention to it in just a moment. It is my purpose to do so in the course of my remarks if the Senator will allow me to proceed. This debt was then funded on this basis: One thousand dollars was to be paid in cash, leaving the amount to be funded as \$13,830,000, in round numbers.

As to this initial cancellation, the United States Government afforded Esthonia goods, \$500,000 worth of automobiles, trucks, motor cycles, and engineer's tools; \$100,000 worth of cigarettes and tobacco; and these, together with other goods, were delivered to Esthonia's representatives. Esthonia shipped them on the British steamer *John Russ*. Esthonia did not insure the cargo, and when the steamer was lost, of course, Esthonia lost the goods. But the Debt Commission concluded that the people of the United States were better able to sustain that loss than Esthonia, and therefore part of this initial cancellation is due to the writing off of that much of Esthonia's debt, all because Esthonia failed to insure a cargo of goods she had purchased and shipped. The remaining portion of the initial cancellation is due to a reduction in the rate of interest from what Esthonia agreed to pay to 4¼ per cent.

Mr. President, if we include every payment made by Esthonia under this debt settlement, determine its present worth, and then determine the annuity which it will purchase on a 4¼ per cent basis, the basis adopted by the Debt Commission, we will find that Esthonia will pay the United States on account of this debt 3.2 per cent interest for 62 years and then the debt of \$16,414,000 is to be canceled. Such are the facts respecting the settlement made of this small debt of \$16,414,000.

It is not justified. It is not fair to the people of the United States. It is not business. It is a further exhibition of the rôle the Debt Commission has developed for the United States, that of Santa Claus to European nations.

Mr. SIMMONS. Mr. President, do I understand from the Senator that interest is calculated upon the original indebtedness up to the time of the refund by the Debt Commission at 4¼ per cent?

Mr. HOWELL. At 4¼ per cent.

Mr. SIMMONS. Instead of 5 per cent, as provided in the original contract?

Mr. HOWELL. Yes. Then, in addition, they initially canceled the cost of that cargo, a little less than \$2,000,000.

Mr. SIMMONS. The Senator says that all the United States Government will receive from Esthonia will be 3.2 per cent from now until the end of the 62 years, and then the principal will be canceled?

Mr. HOWELL. Yes.

Mr. SIMMONS. How does that differ from the Italian settlement, except, as I understand, that they will pay about—

Mr. HOWELL. One and one-tenth per cent.

Mr. SIMMONS. And Esthonia will pay 3.2 per cent?

Mr. HOWELL. Three and two-tenths per cent.

Mr. SIMMONS. That is the difference?

Mr. HOWELL. That is the difference.

The PRESIDING OFFICER. The bill is as in Committee of the Whole and open to amendment. If no amendment is to be proposed, the bill will be reported to the Senate.

The bill was reported to the Senate without amendment, ordered to a third reading, and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. SMOOT. This being an obligation of a foreign country, I had thought we ought to have a ye and nay vote, but I do not know that we must have one; and if there is no question about it, I shall not ask for the yeas and nays.

Mr. HOWELL. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BRATTON (when his name was called). I have a general pair with the junior Senator from Indiana [Mr. ROBINSON]. In his absence, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. CURTIS (when Mr. CAPPER's name was called). I desire to announce the absence of my colleague [Mr. CAPPER] on account of illness in his family. If he were present, he would vote "yea."

Mr. WILLIS (when his name was called). I am paired with the junior Senator from Tennessee [Mr. TYSON]. I understand however, that if present he would vote as I expect to vote. I therefore vote "yea."

The roll call was concluded.

Mr. JONES of Washington. I desire to announce that the junior Senator from Minnesota [Mr. SCHALL] has a general pair with the senior Senator from Montana [Mr. WALSH].

I also desire to announce that the junior Senator from Missouri [Mr. WILLIAMS], the junior Senator from Delaware [Mr. DU PONT], and the junior Senator from Minnesota [Mr. SCHALL], are necessarily absent. If present, they would vote "yea."

Mr. PEPPER. On this question I have a pair with the senior Senator from South Carolina [Mr. SMITH]. I transfer that pair to the senior Senator from Vermont [Mr. GREENE], and vote "yea."

Mr. BROUSSARD. Making the same announcement as to my pair and its transfer as on the previous vote, I vote "yea."

Mr. McKELLAR. I desire to announce the unavoidable absence of my colleague [Mr. TYSON]. He has a general pair with the Senator from Ohio [Mr. WILLIS].

Mr. JONES of New Mexico. I desire to announce the necessary absence of the senior Senator from Rhode Island [Mr. GERRY]. If present, he would vote "yea."

Mr. BAYARD. I have a general pair with the junior Senator from Pennsylvania [Mr. REED]. If he were present, he would vote as I shall vote, and I will therefore vote. I vote "yea."

Mr. TRAMMELL. I desire to announce the unavoidable absence of my colleague [Mr. FLETCHER]. He has a pair with the junior Senator from Delaware [Mr. DU PONT].

The result was announced—yeas 51, nays 16, not voting 29, as follows:

YEAS—51

Bayard	Edge	Jones, Wash.	Pine
Bingham	Edwards	Kendrick	Ransdell
Broussard	Ernst	King	Sackett
Bruce	Ferris	Lenroot	Shortridge
Butler	Fess	McLean	Simmons
Cameron	George	McMaster	Smoot
Caraway	Gillett	McNary	Stanfield
Copeland	Goff	Means	Steck
Couzens	Gooding	Metcalf	Swanson
Cummins	Hale	Oddie	Wadsworth
Curtis	Harrell	Overman	Warren
Dale	Harrison	Pepper	Willis
Deneen	Jones, N. Mex.	Phipps	

NAYS—16

Blease	Harris	McKellar	Nye
Borah	Heflin	Mayfield	Sheppard
Dill	Howell	Neely	Shipstead
Frazier	La Follette	Norris	Trammell

NOT VOTING—29

Ashurst	Greene	Reed, Pa.	Walsh
Bratton	Johnson	Robinson, Ark.	Watson
Capper	Keyes	Robinson, Ind.	Weller
du Pont	McKinley	Schall	Wheeler
Fernald	Moses	Smith	Williams
Fletcher	Norbeck	Stephens	
Gerry	Pittman	Tyson	
Glass	Reed, Mo.	Underwood	

So the bill was passed.

BILLS OF INTERPLEADER BY INSURANCE COMPANIES, ETC.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2296) authorizing insurance companies or fraternal or beneficial societies to file bills of interpleader, which were, on page 1, line 5, after the word "any," to insert the following: "casualty company, surety company"; on page 1, line 10, after the word "society," to insert the following: "has in its custody or possession money or property of the value of \$500 or more, or"; on page 1, line 11, after the word "issued," to insert the following: "a bond or"; on page 1, line 12, after the word "more," to insert the following: "to the obligee or obligees in such bond or"; on page 2, line 5, after the word "to," to insert the following: "such money or property or the penalty of such bond, or to"; on page 2, line 6, after the word "has," to insert the following: "deposited such money or property or has"; on page 2, line 6, to strike out the word

"thereof" and insert in lieu thereof the following: "of such bond or policy"; on page 2, line 23, after the word "are," to insert the following: "claimants of such money or property, or in case there are"; on page 2, line 24, after the word "beneficiaries," to insert the following: "under any such bond or policy"; on page 3, line 1, after the word "of," to insert the following: "a claimant or"; on page 3, line 1, after the word "deceased," to insert the following: "claimant or"; and on page 3, line 7, after the word "court," where it appears the second time, to insert the following: "on account of such money or property or on such bond or."

Mr. PEPPER. I move that the Senate concur in the amendments made by the House; and since the House has failed to amend the title of the bill so as to make the title conform to the changes in it by the amendments, I offer a concurrent resolution in connection with the motion to concur.

The PRESIDING OFFICER. The question is on the motion of the Senator from Pennsylvania that the Senate concur in the House amendments.

The motion was agreed to.

The PRESIDING OFFICER. The Senator from Pennsylvania submits a concurrent resolution, which will be read.

The concurrent resolution (S. Con. Res. 16) was read, considered by unanimous consent, and agreed to as follows:

Resolved by the Senate (the House of Representatives concurring). That the Secretary of the Senate be, and he is hereby, authorized and directed, in the enrollment of the bill (S. 2296) authorizing insurance companies or associations or fraternal or beneficial societies to file bills of interpleader, to insert in the title thereof, after the word "authorizing," the following: "casualty companies, surety companies," so that the title, as amended, will read: "An act authorizing casualty companies, surety companies, insurance companies or associations or fraternal or beneficial societies to file bills of interpleader."

SETTLEMENT OF RUMANIAN INDEBTEDNESS

Mr. SMOOT. Mr. President, I ask that the Senate proceed to the consideration of House bill 6772 for the settlement of the indebtedness of Rumania.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 6772) to authorize the settlement of the indebtedness of the Kingdom of Rumania to the United States of America.

Mr. SMOOT. Mr. President, on December 4, 1925, an agreement was executed for the funding of the debt of the Kingdom of Rumania. I ask unanimous consent to have printed in the Record at this point a copy of that agreement.

The PRESIDING OFFICER. Without objection, the request of the Senator from Utah will be granted, and the agreement will be printed in the Record.

The agreement is as follows:

Agreement made the 4th day of December, 1925, at the city of Washington, D. C., between the Kingdom of Rumania, hereinafter called Rumania, party of the first part, and the United States of America, hereinafter called the United States, party of the second part.

Whereas Rumania is indebted to the United States as of June 15, 1925, upon obligations in the aggregate principal amount of \$36,128,494.94, together with interest accrued and unpaid thereon; and

Whereas Rumania desires to fund said indebtedness to the United States, both principal and interest, through the issue of bonds to the United States, and the United States is prepared to accept bonds from Rumania upon the terms and conditions hereinafter set forth:

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Amount of indebtedness: The amount of the indebtedness to be funded, after allowing for cash payments made or to be made by Rumania and the credit set out below, is \$44,590,000, which has been computed as follows:

Principal amount of indebtedness to be funded.....	\$36,128,494.94
Interest accrued and unpaid thereon to Dec. 15, 1922, at the rate of 4½ per cent a year.....	5,365,806.08
Total indebtedness as of Dec. 15, 1922.....	41,494,301.02
Interest accrued and unpaid thereon to June 15, 1925, at the rate of 3 per cent a year.....	3,112,072.59
	44,606,373.61
Credits allowed by War Department for material, to- gether with interest thereon.....	11,922.07
Total net indebtedness as of June 15, 1925.....	44,594,451.54
To be paid in cash upon execution of agreement.....	4,451.54
Total indebtedness to be funded into bonds.....	44,590,000.00

2. Payment: In order to provide for the payment of the indebtedness thus to be funded Rumania will issue to the United States at par bonds of Rumania dated June 15, 1925, in the principal amounts and maturing serially on the several dates fixed in the following schedule:

June 15—		June 15—	
1926.....	\$200,000.00	1958.....	\$800,000.00
1927.....	300,000.00	1959.....	828,000.00
1928.....	400,000.00	1960.....	857,000.00
1929.....	500,000.00	1961.....	887,000.00
1930.....	600,000.00	1962.....	918,000.00
1931.....	700,000.00	1963.....	950,000.00
1932.....	800,000.00	1964.....	984,000.00
1933.....	1,000,000.00	1965.....	1,018,000.00
1934.....	1,200,000.00	1966.....	1,053,000.00
1935.....	1,400,000.00	1967.....	1,090,000.00
1936.....	1,600,000.00	1968.....	1,129,000.00
1937.....	1,800,000.00	1969.....	1,168,000.00
1938.....	2,000,000.00	1970.....	1,209,000.00
1939.....	2,200,000.00	1971.....	1,252,000.00
1940.....	430,560.43	1972.....	1,295,000.00
1941.....	445,000.00	1973.....	1,341,000.00
1942.....	462,000.00	1974.....	1,387,000.00
1943.....	478,000.00	1975.....	1,436,000.00
1944.....	494,000.00	1976.....	1,486,000.00
1945.....	512,000.00	1977.....	1,539,000.00
1946.....	529,000.00	1978.....	1,592,000.00
1947.....	548,000.00	1979.....	1,648,000.00
1948.....	567,000.00	1980.....	1,706,000.00
1949.....	587,000.00	1981.....	1,766,000.00
1950.....	608,000.00	1982.....	1,827,000.00
1951.....	629,000.00	1983.....	1,891,000.00
1952.....	651,000.00	1984.....	1,957,000.00
1953.....	673,000.00	1985.....	2,026,000.00
1954.....	697,000.00	1986.....	2,097,000.00
1955.....	722,000.00	1987.....	2,172,000.00
1956.....	747,000.00		
1957.....	773,000.00	Total.....	66,560,560.43

Provided, However, That Rumania, at its option, upon not less than 90 days' advance notice to the United States, may postpone any payment on account of principal falling due as hereinabove provided after June 15, 1939, to any subsequent June 15 or December 15 not more than two years distant from its due date, but only on condition that in case Rumania shall at any time exercise this option as to any payment of principal, the payment falling due in the next succeeding year can not be postponed to any date more than one year distant from the date when it becomes due unless and until the payment previously postponed shall actually have been made, and the payment falling due in the second succeeding year can not be postponed at all unless and until the payment of principal due two years previous thereto shall actually have been made.

3. Form of bond: All bonds issued or to be issued hereunder to the United States shall be payable to the Government of the United States of America, or order, and shall be signed for Rumania by its envoy extraordinary and minister plenipotentiary at Washington, or by its other duly authorized representative. The bonds issued for the first 14 annual payments shall be substantially in the form set forth in the exhibit hereto annexed and marked "Exhibit A," shall be issued in 14 pieces in the principal amounts fixed in the preceding schedule, maturing annually on June 15 of each year up to and including June 15, 1939, and shall not bear interest before maturity. The bonds maturing subsequent to June 15, 1939, shall be substantially in the form set forth in the exhibit hereto annexed and marked "Exhibit B," and shall be issued in 48 pieces with maturities and in denominations as hereinabove set forth and shall bear interest at the rate of 3½ per cent per annum from June 15, 1939, payable semiannually on June 15 and December 15 of each year until the principal of such bonds shall be paid.

4. Method of payment: All bonds issued or to be issued hereunder shall be payable, as to both principal and interest, in United States gold coin of the present standard of value, or, at the option of Rumania, upon not less than 30 days' advance notice to the United States, in any obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment hereunder.

All payments, whether in cash or in obligations of the United States, to be made by Rumania on account of the principal of or interest on any bonds issued or to be issued hereunder and held by the United States, shall be made at the Treasury of the United States in Washington, or, at the option of the Secretary of the Treasury of the United States, at the Federal Reserve Bank of New York, and if in cash shall be made in funds immediately available on the date of payment, or if in obligations of the United States shall be in form acceptable to the Secretary of the Treasury of the United States under the general regulations of the Treasury Department governing transactions in United States obligations.

5. Exemption from taxation: The principal and interest of all bonds issued or to be issued hereunder shall be paid without deduction for, and shall be exempt from, any and all taxes or other public dues, present or future, imposed by or under authority of Rumania or any political or local taxing authority within the Kingdom of Rumania, whenever, so long as, and to the extent that beneficial ownership is in (a) the Government of the United States, (b) a person, firm, or association neither domiciled nor ordinarily resident in Rumania, or (c) a corporation not organized under the laws of Rumania.

6. Payments before maturity: Rumania, at its option, on June 15 or December 15 of any year, upon not less than 90 days' advance notice to the United States, may make advance payments in amounts of \$1,000 or multiples thereof, on account of the principal of any

bonds issued or to be issued hereunder and held by the United States. Any such advance payments shall be applied to the principal of such bonds as may be indicated by Rumania at the time of the payment.

7. Exchange for marketable obligations: Rumania will issue to the United States at any time, or from time to time, at the request of the Secretary of the Treasury of the United States, in exchange for any or all of the bonds issued hereunder and held by the United States, definitive engraved bonds in form suitable for sale to the public, in such amounts and denominations as the Secretary of the Treasury of the United States may request, in bearer form, with provision for registration as to principal and/or in fully registered form, and otherwise on the same terms and conditions, as to dates of issue and maturity, rate or rates of interest, if any, exemption from taxation, payment in obligations of the United States issued after April 6, 1917, and the like, as the bonds surrendered on such exchange. Rumania will deliver definitive engraved bonds to the United States in accordance herewith within six months of receiving notice of any such request from the Secretary of the Treasury of the United States, and pending the delivery of the definitive engraved bonds will deliver, at the request of the Secretary of the Treasury of the United States, temporary bonds or interim receipts in form satisfactory to the Secretary of the Treasury of the United States within 30 days of the receipt of such request, all without expense to the United States. The United States, before offering any such bonds or interim receipts for sale in Rumania, will first offer them to Rumania for purchase at par and accrued interest, if any, and Rumania shall likewise have the option, in lieu of issuing any such bonds or interim receipts, to make advance redemption, at par and accrued interest, if any, of a corresponding principal amount of bonds issued hereunder and held by the United States. Rumania agrees that the definitive engraved bonds called for by this paragraph shall contain all such provisions, and that it will cause to be promulgated all such rules, regulations, and orders as shall be deemed necessary or desirable by the Secretary of the Treasury of the United States in order to facilitate the sale of the bonds in the United States, in Rumania, or elsewhere, and that if requested by the Secretary of the Treasury of the United States it will use its good offices to secure the listing of the bonds on such stock exchanges as the Secretary of the Treasury of the United States may specify.

8. Cancellation and surrender of obligations: Upon the execution of this agreement the delivery to the United States of the \$66,560,560.43 principal amount of bonds of Rumania to be issued hereunder, together with satisfactory evidence of authority for the execution of this agreement by the representatives of Rumania and for the execution of the bonds to be issued hereunder, the United States will cancel and surrender to Rumania at the Treasury of the United States in Washington the obligations of Rumania held by the United States.

9. Notices: Any notice, request, or consent under the hand of the Secretary of the Treasury of the United States shall be deemed and taken as the notice, request, or consent of the United States, and shall be sufficient if delivered at the legation of Rumania at Washington or at the office of the Ministry of Finance in Rumania; and any notice, request, or election from or by Rumania shall be sufficient if delivered to the American legation at Bucharest or to the Secretary of the Treasury at the Treasury of the United States in Washington. The United States, in its discretion, may waive any notice required hereunder, but any such waiver shall be in writing and shall not extend to or affect any subsequent notice or impair any right of the United States to require notice hereunder.

10. Compliance with legal requirements: Rumania represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of Rumania and in conformity therewith.

11. Counterparts: This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof Rumania has caused this agreement to be executed on its behalf by N. Titulescu, envoy extraordinary and minister plenipotentiary to his Britannic majesty and president of the Rumanian Debt Funding Commission at Washington, thereunto duly authorized, subject, however, to ratification by Rumanian Parliament, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, as chairman of the World War Foreign Debt Commission, with the approval of the President, subject, however, to the approval of Congress, pursuant to the act of Congress approved February 9, 1922, as amended by the act of Congress approved February 28, 1923, and as further amended by the act of Congress approved January 21, 1925, all on the day and the year first above written.

THE KINGDOM OF RUMANIA,

By N. TITULESCU.

THE UNITED STATES OF AMERICA,

(For the World War Foreign Debt Commission:)

By A. W. MELLON,

Secretary of the Treasury and Chairman of the Commission.

Approved:

CALVIN COOLIDGE,

President.

EXHIBIT A

(Form of bond)

THE KINGDOM OF RUMANIA

No. —

The Kingdom of Rumania, hereinafter called Rumania, for value received, promises to pay to the Government of the United States of America, hereinafter called the United States, or order, on June 15, 19—, the sum of — dollars (\$—). This bond is payable in gold coin of the United States of America of the present standard of value, or, at the option of Rumania, upon not less than 30 days' advance notice to the United States, in any obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment hereunder.

This bond is payable without deduction for, and is exempt from, any and all taxes and other public dues, present or future, imposed by or under authority of Rumania or any political or local taxing authority within Rumania, whenever, so long as, and to the extent that, beneficial ownership is in (a) the Government of the United States, (b) a person, firm, or association neither domiciled nor ordinarily resident in Rumania, or (c) a corporation not organized under the laws of Rumania. This bond is payable at the Treasury of the United States in Washington, D. C., or, at the option of the Secretary of the Treasury of the United States, at the Federal Reserve Bank of New York.

This bond is issued pursuant to the provisions of paragraph 2 of an agreement dated December 4, 1925, between Rumania and the United States, to which agreement this bond is subject, and to which reference is hereby made.

In witness whereof Rumania has caused this bond to be executed in its behalf by its — at the city of Washington, D. C., thereunto duly authorized, as of June 15, 1925.

THE KINGDOM OF RUMANIA,

By —

EXHIBIT B

(Form of bond)

THE KINGDOM OF RUMANIA

No. —

The Kingdom of Rumania, hereinafter called Rumania, for value received, promises to pay to the Government of the United States of America, hereinafter called the United States, or order, on June 15, 19—, the sum of — dollars (\$—), and to pay interest upon said principal sum from June 15, 1939, at the rate of 3½ per cent per annum, payable semiannually on the 15th day of December and June in each year until the principal hereof has been paid. This bond is payable as to both principal and interest in gold coin of the United States of America of the present standard of value, or, at the option of Rumania, upon not less than 30 days' advance notice to the United States in any obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment hereunder.

This bond is payable as to both principal and interest without deduction for, and is exempt from, any and all taxes and other public dues, present or future, imposed by or under authority of Rumania or any political or local taxing authority within the Kingdom of Rumania, whenever, so long as, and to the extent that, beneficial ownership is in (a) the Government of the United States, (b) a person, firm, or association neither domiciled nor ordinarily resident in Rumania, or (c) a corporation not organized under the laws of Rumania. This bond is payable as to both principal and interest at the Treasury of the United States in Washington, D. C., or at the option of the Secretary of the Treasury of the United States at the Federal Reserve Bank of New York.

This bond is issued pursuant to the provisions of paragraph 2 of an agreement dated December 4, 1925, between Rumania and the United States, to which agreement this bond is subject and to which reference is hereby made.

In witness whereof Rumania has caused this bond to be executed in its behalf by its — at the city of Washington, D. C., thereunto duly authorized, as of June 15, 1925.

THE KINGDOM OF RUMANIA,

By —

Mr. SMOOT. The indebtedness was funded as of June 15, 1925. The principal amount of obligations held by the United States was \$36,128,494.94. Interest on this amount, calculated to December 15, 1922, at 4½ per cent per annum, aggregating \$5,365,806.08, was added to the original principal, making the indebtedness as of December 15, 1922, \$41,494,301.02. Interest on this amount, calculated at the rate of 3 per cent per annum from December 15, 1922, to June 15, 1925, aggregating \$3,112,072.59, was added, making the total debt as of June 15, 1925, \$44,606,373.61. Against this amount there were allowed by the War Department certain credits aggregating \$11,922.07. Rumania paid in cash upon the execution of the agreement \$4,451.54, making the total indebtedness to be funded into bonds \$44,590,000.

The principal of the debt so established is to be paid over a period of 62 years with interest at the rate of 3 per cent per annum for the first 10 years and $3\frac{1}{2}$ per cent per annum thereafter. During the first 14 years the following total annual payments are to be paid, the balance of each annuity at the above rate to be funded over the remaining 48 years:

June 15—	June 15—
1926.....\$200,000	1931.....\$700,000
1927.....300,000	1932.....800,000
1928.....400,000	1933.....1,000,000
1929.....500,000	1934.....1,200,000
1930.....600,000	1935.....1,400,000

Statement of amounts payable to the United States on account of proposed refunding bonds to be issued by Rumania (interest at 3 per cent per annum for first 10 years and $3\frac{1}{2}$ per cent thereafter—all deferred amounts are compounded annually at those rates)

Year	Principal	Annual interest due	Annual principal due	Total amount due annually	Total amount to be paid annually	Amount deferred each year	Value of each deferred amount on fifteenth year
1921.....	\$44,590,000.00	\$1,337,700.00	\$222,000.00	\$1,559,700.00	\$200,000.00	\$1,359,700.00	\$2,035,817.04
1922.....	44,368,000.00	1,331,040.00	229,000.00	1,560,040.00	300,000.00	1,260,040.00	1,831,651.22
1923.....	44,139,000.00	1,324,170.00	236,000.00	1,560,170.00	400,000.00	1,160,170.00	1,637,355.28
1924.....	43,903,000.00	1,317,090.00	243,000.00	1,560,090.00	500,000.00	1,060,090.00	1,452,535.10
1925.....	43,660,000.00	1,309,800.00	250,000.00	1,559,800.00	600,000.00	959,800.00	1,276,814.66
1926.....	43,410,000.00	1,302,300.00	258,000.00	1,560,300.00	700,000.00	860,300.00	1,111,117.32
1927.....	43,152,000.00	1,294,560.00	265,000.00	1,559,560.00	800,000.00	759,560.00	952,433.76
1928.....	42,887,000.00	1,286,610.00	273,000.00	1,559,610.00	1,000,000.00	559,610.00	681,272.62
1929.....	42,614,000.00	1,278,420.00	282,000.00	1,560,420.00	1,200,000.00	360,420.00	425,997.58
1930.....	42,332,000.00	1,269,960.00	290,000.00	1,559,960.00	1,400,000.00	159,960.00	183,557.62
1931.....	42,042,000.00	1,471,470.00	296,000.00	1,767,470.00	1,600,000.00	167,470.00	185,676.84
1932.....	41,746,000.00	1,461,110.00	338,890.00	1,800,000.00	1,800,000.00		
1933.....	41,407,110.00	1,449,248.85	550,751.15	2,000,000.00	2,000,000.00		
1934.....	40,856,358.85	1,429,972.56	770,027.44	2,200,000.00	2,200,000.00		
Add value of amounts deferred.....	40,086,331.41	18,863,451.41	4,503,668.59	23,367,120.00	14,700,000.00	8,667,120.00	11,774,229.02

Year	Principal	Annual interest due	Annual principal due	Total amount to be paid annually
1940.....	\$51,860,560.43	\$1,815,119.62	\$430,560.43	\$2,245,680.05
1941.....	51,430,000.00	1,800,050.00	445,000.00	2,245,050.00
1942.....	50,985,000.00	1,784,475.00	462,000.00	2,246,475.00
1943.....	50,523,000.00	1,768,305.00	478,000.00	2,246,305.00
1944.....	50,045,000.00	1,751,575.00	494,000.00	2,245,575.00
1945.....	49,551,000.00	1,734,285.00	512,000.00	2,246,285.00
1946.....	49,039,000.00	1,716,365.00	529,000.00	2,245,365.00
1947.....	48,510,000.00	1,697,850.00	548,000.00	2,245,850.00
1948.....	47,962,000.00	1,678,670.00	567,000.00	2,245,670.00
1949.....	47,395,000.00	1,658,825.00	587,000.00	2,245,825.00
1950.....	46,808,000.00	1,638,280.00	608,000.00	2,246,280.00
1951.....	46,200,000.00	1,617,000.00	629,000.00	2,246,000.00
1952.....	45,571,000.00	1,594,985.00	651,000.00	2,245,985.00
1953.....	44,920,000.00	1,572,200.00	673,000.00	2,245,200.00
1954.....	44,247,000.00	1,548,645.00	697,000.00	2,245,645.00
1955.....	43,550,000.00	1,524,250.00	722,000.00	2,246,250.00
1956.....	42,828,000.00	1,498,980.00	747,000.00	2,245,980.00
1957.....	42,081,000.00	1,472,835.00	773,000.00	2,245,835.00
1958.....	41,308,000.00	1,445,780.00	800,000.00	2,245,780.00
1959.....	40,508,000.00	1,417,780.00	828,000.00	2,245,780.00
1960.....	39,680,000.00	1,388,800.00	857,000.00	2,245,800.00
1961.....	38,823,000.00	1,358,805.00	887,000.00	2,245,805.00
1962.....	37,936,000.00	1,327,760.00	918,000.00	2,245,760.00
1963.....	37,018,000.00	1,295,630.00	950,000.00	2,245,630.00
1964.....	36,068,000.00	1,262,380.00	984,000.00	2,246,380.00
1965.....	35,084,000.00	1,227,940.00	1,018,000.00	2,245,940.00
1966.....	34,066,000.00	1,192,310.00	1,053,000.00	2,245,310.00
1967.....	33,013,000.00	1,155,455.00	1,090,000.00	2,245,455.00
1968.....	31,923,000.00	1,117,305.00	1,129,000.00	2,246,305.00
1969.....	30,794,000.00	1,077,790.00	1,168,000.00	2,245,790.00
1970.....	29,626,000.00	1,036,910.00	1,209,000.00	2,245,910.00
1971.....	28,417,000.00	994,595.00	1,252,000.00	2,246,595.00
1972.....	27,165,000.00	950,775.00	1,296,000.00	2,245,775.00
1973.....	25,870,000.00	905,450.00	1,341,000.00	2,246,450.00
1974.....	24,529,000.00	858,515.00	1,387,000.00	2,245,515.00
1975.....	23,142,000.00	809,970.00	1,436,000.00	2,245,970.00
1976.....	21,706,000.00	759,710.00	1,486,000.00	2,245,710.00
1977.....	20,220,000.00	707,700.00	1,539,000.00	2,246,700.00
1978.....	18,681,000.00	653,833.00	1,592,000.00	2,245,833.00
1979.....	17,089,000.00	598,115.00	1,648,000.00	2,246,115.00
1980.....	15,441,000.00	540,435.00	1,706,000.00	2,246,435.00
1981.....	13,735,000.00	480,725.00	1,765,000.00	2,245,725.00
1982.....	11,970,000.00	418,950.00	1,827,000.00	2,245,950.00
1983.....	10,143,000.00	355,005.00	1,891,000.00	2,246,005.00
1984.....	8,252,000.00	288,820.00	1,957,000.00	2,245,820.00
1985.....	6,295,000.00	220,325.00	2,026,000.00	2,246,325.00
1986.....	4,269,000.00	149,415.00	2,097,000.00	2,246,415.00
1987.....	2,172,000.00	76,020.00	2,172,000.00	2,248,020.00
Add total amount received first 14 years.....		55,945,699.62	51,860,560.43	107,806,260.05
				14,700,000.00
				122,506,260.05

Mr. SMOOT. The schedule of payments which I have just had set forth in the RECORD was agreed upon to meet the estimated fiscal requirements of the Rumanian Government.

June 15—	June 15—
1936.....\$1,600,000	1938.....\$2,000,000
1937.....1,800,000	1939.....2,200,000

I ask unanimous consent to have printed in the RECORD a schedule showing the total payments of principal and interest to be made each year with the amount deferred during the first 14 years.

The PRESIDING OFFICER. Without objection, the request of the Senator from Utah will be granted and the schedule will be printed in the RECORD.

The schedule is as follows:

I think, Mr. President, that statement covers the items and the principles of our agreement.

The PRESIDING OFFICER. The bill is as in Committee of the Whole and open to amendment. If there are no amendments to be offered as in Committee of the Whole, the bill will be reported to the Senate.

The bill was reported to the Senate without amendment, ordered to a third reading, and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. NEELY. Let us have the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BAYARD (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. REED]. If he were present, he would vote as I desire to vote. I shall therefore vote. I vote "yea."

Mr. BRATTON (when his name was called). I have a general pair with the junior Senator from Indiana [Mr. ROBINSON]. If at liberty to vote, I should vote "nay." Under the circumstances I withhold my vote.

Mr. BROUSSARD (when his name was called). Making the same announcement as heretofore, I vote "yea."

Mr. CURTIS (when Mr. CAPPER's name was called). Repeating the announcement made previously with reference to the absence of my colleague [Mr. CAPPER], I desire to state that if present he would vote "yea."

Mr. PEPPER (when his name was called). On this question I am paired with the senior Senator from South Carolina [Mr. SMITH], which I transfer to the senior Senator from Vermont [Mr. GREENE], and vote "yea."

Mr. McKELLAR (when Mr. TYSON's name was called). The junior Senator from Tennessee [Mr. TYSON] is unavoidably absent from the city. He has a general pair with the senior Senator from Ohio [Mr. WILLIS].

Mr. WILLIS (when his name was called). I am paired with the junior Senator from Tennessee [Mr. TYSON]. I am advised that he would vote as I expect to vote, and I therefore vote "yea."

The roll call was concluded.

Mr. JONES of Washington. I desire to announce the following general pairs:

The Senator from Minnesota [Mr. SCHALL] with the Senator from Montana [Mr. WALSH]; and

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Montana [Mr. WHEELER].

I also desire to announce the necessary absence of the Senator from Delaware [Mr. DU PONT], the Senator from Vermont [Mr. GREENE], the Senator from Minnesota [Mr. SCHALL], and

the Senator from Missouri [Mr. WILLIAMS], each of whom would, if present, vote "yea."

Mr. HARRIS. I desire to announce that the Senator from Rhode Island [Mr. GERRY] is necessarily absent. If he were present, he would vote "yea."

The result was announced—yeas 51, nays 16, as follows:

YEAS—51			
Bayard	Edwards	King	Sackett
Bingham	Ernst	Lenroot	Shortridge
Broussard	Ferris	McLean	Simmons
Bruce	Fess	McMaster	Smoot
Butler	George	McNary	Stanfield
Cameron	Gillett	Means	Steck
Caraway	Goff	Metcalf	Swanson
Copeland	Gooding	Norbeck	Wadsworth
Couzens	Hale	Oddie	Warren
Curtis	Harrell	Pepper	Watson
Dale	Jones, N. Mex.	Phillips	Weller
Deneen	Jones, Wash.	Pine	Willis
Edge	Kendrick	Robinson, Ark.	

NAYS—16			
Blease	Heflin	McKellar	Nye
Dill	Howell	Mayfield	Reed, Mo.
Frazier	Johnson	Neely	Sheppard
Harris	La Follette	Norris	Trammell

NOT VOTING—29			
Ashurst	Gerry	Pittman	Tyson
Borah	Glass	Ransdell	Underwood
Bratton	Greene	Reed, Pa.	Walsh
Capper	Harrison	Robinson, Ind.	Wheeler
Cummins	Keyes	Schall	Williams
du Pont	McKinley	Shipstead	
Fernald	Moses	Smith	
Fletcher	Overman	Stephens	

So the bill was passed, as follows:

Be it enacted, etc., That the settlement of the indebtedness of the Kingdom of Rumania to the United States of America made by the World War Foreign Debt Commission and approved by the President upon the terms and conditions as set forth in Senate Document No. 5, Sixty-ninth Congress, first session, is hereby approved in general terms as follows:

The amount of the indebtedness to be funded, after allowing for the cash payments made by the Kingdom of Rumania and the credits set out below, is \$44,590,000, which has been computed as follows:

Principal amount of indebtedness to be funded.....	\$36,128,494.94
Interest accrued and unpaid thereon to Dec. 15, 1922, at the rate of 4½ per cent a year.....	5,365,806.08
Total indebtedness as of Dec. 15, 1922.....	41,494,301.02
Interest accrued and unpaid thereon to June 15, 1925, at the rate of 3 per cent a year.....	3,112,072.59
44,606,373.61	
Credits allowed by War Department on material together with interest thereon.....	11,922.07
Total net indebtedness as of June 15, 1925.....	44,594,451.54
To be paid in cash upon execution of agreement.....	4,451.54
Total indebtedness to be funded into bonds.....	44,590,000.00

The principal amount of the bonds to be delivered to the United States is \$66,560,560.43, the increase over the funded indebtedness as of June 15, 1925, being due to the smaller payments during the first 14 years than would have been payable upon the basis of the British-American settlement, this difference being funded over the remaining 48 years, compounded annually, at the rates of 3 per cent per annum up to and including the tenth year and 3½ per cent per annum from the eleventh to the fourteenth year, both inclusive. The principal of the bonds shall be paid in annual installments on June 15 of each year up to and including June 15, 1987, subject to the right of the Kingdom of Rumania, after June 15, 1939, to make such payments in three-year periods. The first 14 annual installments are to be paid without interest on the dates specified and in the following amounts: June 15, 1926, \$200,000; June 15, 1927, \$300,000; June 15, 1928, \$400,000; June 15, 1929, \$500,000; June 15, 1930, \$600,000; June 15, 1931, \$700,000; June 15, 1932, \$800,000; June 15, 1933, \$1,000,000; June 15, 1934, \$1,200,000; June 15, 1935, \$1,400,000; June 15, 1936, \$1,600,000; June 15, 1937, \$1,800,000; June 15, 1938, \$2,000,000; June 15, 1939, \$2,200,000. The remaining 48 installments are to be paid annually on June 15 of each year, with interest at the rate of 3½ per cent per annum from June 15, 1939, payable semiannually on June 15 and December 15 of each year. The amount of the installment due in the fifteenth year is \$430,560.43, the annual installments to increase thereafter until in the sixty-second year the amount of the final installment will be \$2,172,000, the aggregate installments being equal to the total face amount of bonds to be delivered, namely, \$66,560,560.43.

The Kingdom of Rumania shall have the right to pay off additional amounts of the principal of the bonds on June 15 or December 15 of any year upon not less than 90 days' advance notice.

Any payment of interest or of principal may be made at the option of the Kingdom of Rumania in any obligations of the United States issued after April 6, 1917, such obligations to be taken at par and accrued interest.

Mr. HOWELL obtained the floor.

Mr. SMOOT. Will the Senator from Nebraska permit me to call up the next debt settlement bill, House bill 6777?

Mr. HOWELL. No, Mr. President; not at this time. I desired to have an opportunity to state, for the RECORD at least, the facts respecting the Rumanian debt settlement. It seems that I was denied the privilege when the settlement was under consideration. However, I will admit that it was partly my own fault.

Mr. President, the Senate has just voted to approve the Rumanian debt settlement, and I think the Senate ought to know certain facts which have not been made clear. The amount of the debt as per the Treasury books is not \$44,590,000, the amount that has been refunded, but \$46,945,000. The debt commission afforded an initial cancellation of \$2,351,000.

By whom is this debt owed to the United States and to whom is this cancellation afforded? Rumania, as the result of the World War, doubled her territory and her population. To-day Rumania has a population of about 17,500,000. If Rumania's war debt to-day, as the result of the recent war, were as great as that of the United States in proportion to population, it would be over \$3,000,000,000, but her total interest-bearing war debt as the result of the recent war is only about \$267,000,000. Yet by our action we have canceled \$47,000,000 of that debt.

Mr. President, it was openly stated here in Washington that the Rumanian minister was recalled because he insisted that his Government was capable of paying its debt in full and that it ought to do so; that it ought not even ask for an extension of payments over 62 years. An article appeared in a Washington paper over the signature of one of our leading publicists stating this fact; and I ask unanimous consent to insert in the RECORD that statement, made by Mr. Frederic William Wile.

The PRESIDING OFFICER (Mr. LENROOT in the chair). Without objection, it is so ordered.

The statement is as follows:

Prince Antoine Bibesco's friends in Washington—whose name is legion—have thrown amazing light on the real reasons for the Rumanian minister's recall from the United States. The reasons are directly concerned with the recent Rumanian debt-funding arrangements in Washington. Prince Bibesco wanted his country to pay the United States in cash in full and at once.

According to his friends here, Bibesco contended that the Rumanian treasury was able to do this. It owed America \$44,128,000, including principal and accrued interest, compared to the \$106,000,000 Rumania owes Great Britain, and the 1,132,000,000 francs it owes France. But M. Titulesco, the Rumanian minister to Great Britain, who conducted the recent negotiations at Washington, was without instructions from Bucharest to effect a cash settlement here.

ANXIOUS TO APPEASE FRANCE

It is understood that the Rumanian Government's objections were based on a desire not to offend France. Not only is Rumania heavily in France's debt, but there are military understandings between the two countries that naturally would deter Rumanian statesmen from doing anything that would cause disagreeable comment at Paris. There was the further consideration in the French mind, of course, that France herself had not yet come to any kind of debt terms with America.

At any rate, M. Titulesco demurred sternly to Prince Bibesco's cash-settlement proposal, and the Bucharest authorities sustained Titulesco's position. It was an open secret in official, diplomatic, and society circles that there was a rift in the Rumanian lute during the negotiations in Washington. The debt mission was quartered at a hotel, and it saw little or nothing of the officials at the legation. There was one formal dinner party, at which the Prince and Princess Bibesco were hosts to their compatriots, but the usual round of entertaining which marked all debt-mission activities in Washington when other countries were conducting them suddenly ceased. The secret, Bibesco's intimates assert, is that which is herein for the first time publicly disclosed.

The Rumanian debt was finally funded for a grand total of \$44,590,000, of which some \$8,000,000 was unpaid interest. In addition to the money she owes America, Great Britain, and France, Rumania's "interallied" debts include 151,000,000 francs owed Italy and 24,000,000 francs owed Belgium. It is supposed that the Rumanian Government had all of these obligations in mind, though particularly the French debt, when it did not see its way to accede to Prince Bibesco's proposal for a cash settlement with the United States.

Few foreign diplomats stationed at Washington in recent years achieved the widespread popularity acquired by Prince Bibesco and his wife. They have been here since February, 1921—nearly five years. The minister's wife (formerly Elizabeth Asquith, daughter of the one-time Prime Minister of Great Britain and his famous consort, Margot Asquith) is one of the most brilliant intellects that has ever scintillated across the Washington horizon.

Mr. HOWELL. But, Mr. President, notwithstanding Rumania has 17,500,000 people, notwithstanding the fact that she doubled her population and her territory during the war, notwithstanding her interest-bearing war debt is only about \$267,000,000, while if it were as great in proportion as is our war debt it would be over \$3,000,000,000, we have canceled this debt \$47,000,000.

We have afforded Rumania better terms than we afforded Great Britain; we have afforded Rumania better terms than we afforded Latvia; we have afforded Rumania better terms than we afforded Finland; we have afforded Rumania better terms than we afforded Hungary; better terms than we afforded Lithuania; better terms than we afforded Poland.

Mr. President, take all the payments which Rumania is to make during the 62-year period, and you will find they are equal to an annual payment of but 3.4 per cent upon the debt, and then, at the end of 62 years, the debt is canceled.

Mr. SHIPSTEAD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Minnesota?

Mr. HOWELL. I yield.

Mr. SHIPSTEAD. Can the Senator from Nebraska give us any information as to whether or not the commissions of the brokers who arranged these loans for some of the foreign governments have been discounted somewhat on the same basis on which we are discounting the debts due us?

Mr. HOWELL. Of course, Mr. President, those engaged in the placing of international loans are in the business for profit and they do not, as a matter of course, sacrifice their profit.

Mr. SHIPSTEAD. Mr. President, I have, of course, reference to the brokers who got these loans from the Government of the United States for foreign governments. I do not mean brokers who sell bankers' loans.

Mr. HOWELL. I was not aware that any profit of that kind was made by individuals; and if the Senator from Minnesota is familiar with such an instance, I think it would be enlightening to have him state the facts to the Senate.

Mr. SHIPSTEAD. If the resolution which was introduced by the Senator from Missouri [Mr. REED] may come before the Senate and be adopted, I think some information can be presented upon that subject.

Mr. HOWELL. Mr. President, the ratification of this settlement with Rumania by the Senate is an outrage upon the American people. We ought to think of the American people as well as to think of the peoples of Europe. Here is a nation amply able to pay, with great natural resources, with a war debt as a result of the Great War relatively much smaller than the proportionate share of the debt of the United States, of many States of the Union. The proportionate share of one of our States exceeds that of Rumania by six or seven times. Maryland's proportionate share of our debt of \$19,300,000,000, on a population basis, is \$263,000,000. Maryland has a population of 1,450,000, while Rumania has a population of 17,500,000, and her interest-bearing debt contracted during the war approximates but \$267,000,000; yet we are canceling some \$47,000,000 of that debt as the result of the action taken by the Senate to-day.

SETTLEMENT OF CZECHOSLOVAKIAN INDEBTEDNESS

Mr. SMOOT. Mr. President, I now ask unanimous consent that the Senate proceed to the consideration of Order of Business No. 3, being the bill (H. R. 6777) to authorize the settlement of the indebtedness of the Czechoslovak Republic to the United States of America.

The VICE PRESIDENT. Is there objection?

Mr. REED of Missouri. Mr. President, I object.

Mr. SMOOT. Then I move that the Senate proceed to the consideration of House bill 6777.

Mr. REED of Missouri. I raise the question of the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Deneen	Harris	McNary
Bayard	Dill	Harrison	Mayfield
Bingham	Edge	Heflin	Means
Blease	Edwards	Howell	Metcalf
Borah	Ernst	Johnson	Neely
Bratton	Ferris	Jones, N. Mex.	Norris
Broussard	Fess	Jones, Wash.	Nye
Bruce	Frazier	Kendrick	Oddie
Butler	George	King	Overman
Cameron	Gerry	La Follette	Pepper
Caraway	Gillett	Lenroot	Phelps
Copeland	Glass	McKellar	Pine
Couzens	Goff	McKinley	Ransdell
Curtis	Hale	McLean	Reed, Mo.
Dale	Harrell	McMaster	Robinson, Ark.

Sackett	Simmons	Stephens	Warren
Sheppard	Smoot	Swanson	Watson
Shipstead	Stanfield	Trammell	Willis
Shortridge	Steak	Wadsworth	

The VICE PRESIDENT. Seventy-five Senators having answered to their names, a quorum is present.

Mr. SMOOT. Mr. President, the Senator from Nebraska [Mr. HOWELL] advises me that he has some information to collect that he is not yet prepared to present on the Czechoslovakian debt settlement, and asks that it may go over until to-morrow. I have no objection at all to that course. Therefore I withdraw the motion I made to proceed to the consideration of the bill.

Mr. REED of Missouri. Mr. President, I think the request ought to be granted, because the Senator from Nebraska will, I take it, desire to present some figures; but I can not refrain from calling attention to the fact of how well trained Senators are and how useless it is to protest.

When the roll was being called a few minutes ago I heard two Senators upon coming in vote "yea" on a quorum call. They knew their business and what was expected of them so well that as they walked down the aisle, on a mere call for a quorum, they voted "yea."

Mr. NEELY. Mr. President, under the impression, of course, that they were voting to give away more of the American taxpayers' money to some European country.

DISTRICT GARBAGE-REDUCTION PLANT

The VICE PRESIDENT laid before the Senate the bill (H. R. 7286) to provide for the acquisition of property in Prince William County, Va., to be used by the District of Columbia for the reduction of garbage.

Mr. COPELAND. Mr. President, on the 27th of March the Senate passed a bill which was identical in spirit but slightly different in language from the bill which the House has just passed. I move that the votes by which we passed the Senate bill be reconsidered and that we pass in its place the bill just sent over from the House.

Mr. KING. What bill is it?

Mr. COPELAND. It is the bill relative to the garbage-disposal plant over in Prince William County, Va.

Mr. CURTIS. Mr. President, if the other bill has passed the Senate there is no need to recall it.

Mr. COPELAND. It is not identical.

The VICE PRESIDENT. Probably if this bill is passed it will be sufficient.

Mr. CURTIS. If it is not identical, then this bill should go to the committee.

Mr. COPELAND. It is identical in spirit.

The VICE PRESIDENT. Objection is made.

Mr. CURTIS. I ask that the bill go to the committee.

The VICE PRESIDENT. The bill will be referred to the Committee on the District of Columbia.

AMENDMENT OF WAR MINERALS RELIEF ACT

Mr. ODDIE. I ask unanimous consent for the immediate consideration of Senate bill 3641, to amend an act entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes," approved March 2, 1919, as amended.

The VICE PRESIDENT. Is there objection to the immediate consideration of the bill?

Mr. BORAH. What is the bill, Mr. President?

Mr. ODDIE. It provides for an amendment to the war minerals relief act.

The VICE PRESIDENT. The Chair hears no objection.

The Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Mines and Mining, with amendments.

Mr. ODDIE. I ask that the bill be read for action on the committee amendments.

The VICE PRESIDENT. The Secretary will read the bill.

The Chief Clerk proceeded to read the bill.

The amendments were, on page 2, line 22, after the word "expended," to insert "or obligations incurred"; on the same page, line 25, before the word "expenditures," to strike out the word "such"; and, on page 3, line 4, after the words "of the," to strike out "said minerals" and insert "necessaries," so as to make the bill read:

Be it enacted, etc., That so much of section 5 of the act entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes," approved March 2, 1919, as amended, as reads "that the decision of the said Secretary shall be conclusive and final, subject to the limitations hereinafter provided," and so much of said section 5 as reads "that nothing in this section shall be construed to confer jurisdiction upon any court to entertain a suit against the United States," are hereby repealed.

SEC. 2. That section 2 of the said act is hereby made applicable to claims filed under section 5 of the said act in the same manner and in all respects similar to the application of said section 2 to section 1 of the said act: *Provided, however*, That in cases where final decisions of the Secretary of the Interior have been heretofore rendered said appeal to the Court of Claims shall be made within 90 days after the passage of this act; and in all cases where final decisions of the Secretary of the Interior have not heretofore been rendered, appeals from such decisions to the Court of Claims shall be made within 90 days after such decisions shall have been rendered by said Secretary: *And provided further*, That no acceptance or acquittance by any claimant of or for any settlement made heretofore by the said Secretary shall prevent or estop any appeal to the said Court of Claims, as herein provided for.

SEC. 3. That the Secretary of the Interior is hereby authorized and directed to include in his adjustments and payments in each claim all items of net loss, including moneys expended or obligations incurred for or in connection with the purchase or lease of property and money paid and due to be paid for interest on borrowed capital: *Provided, however*, That in every case in which expenditures were made or obligations incurred they shall be clearly shown to have been so made or incurred in good faith in connection with the production of or in preparation for the production of the necessities named in the said act, in compliance with governmental demands, request, solicitation, or appeal, as heretofore provided in the said act, as amended.

The amendments were agreed to.

Mr. ODDIE. I ask that the three amendments which I send to the desk, to be known as sections 3, 4, and 5, be considered.

The VICE PRESIDENT. The amendments will be stated.

Mr. KING. Mr. President, will the Senator yield?

Mr. ODDIE. Yes.

Mr. KING. I will ask the Senator if the amendment which he is about to offer is the one which was agreed upon by Mr. Mitchell and the one which was submitted to me by him?

Mr. ODDIE. It is.

Mr. KING. There has been no change in it?

Mr. ODDIE. No change.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. The Senator from Nevada proposes to strike out lines 19 to 25, both inclusive, on page 2, and lines 1 to 7, both inclusive, on page 3, and in lieu thereof to insert the following:

SEC. 3. That the Secretary of the Interior is hereby authorized and directed to reconsider his findings or awards and make an award or additional awards in each claim for such net losses as claimant may have incurred in good faith, and are in justice and equity entitled to, by reason of producing or preparing to produce the necessities named in said act as amended, in compliance with governmental request, demand, solicitation, or appeal, including moneys expended or obligations incurred for or in connection with the purchase or lease of property and money paid or due to be paid as interest for borrowed capital.

Mr. ODDIE. Mr. President, section 3 was redrafted in order to meet the views of the Secretary of the Interior, in that he felt that the language of section 3 as drawn made it mandatory upon him to pay all items of net loss whether the claimants were or were not in justice and equity entitled to payment for them. As amended section 3 supplies the required safeguards to restrict awards to net losses incurred in good faith and to which claimants are justly and equitably entitled under the provisions of the relief act as amended.

The VICE PRESIDENT. The question is upon agreeing to the amendment offered by the Senator from Nevada.

The amendment was agreed to.

The CHIEF CLERK. It is also proposed to insert a new section, to be known as section 4, and to read as follows:

SEC. 4. If in any claim duly filed under and pursuant to section 5 of "An act to provide relief in cases of contracts connected with the prosecution of the war," approved March 2, 1919, it shall appear that a claimant suffered net losses under said section 5 which were not included in said claim as filed, because not known at the time of filing said claim, such claimant may amend such claim within 30 days from and after the passage of this amendment by including such losses, and the Secretary of the Interior shall adjust the amended claim subject to all the conditions and limitations of this act as amended.

The amendment was agreed to.

The CHIEF CLERK. It is also proposed to add a new section, as follows:

SEC. 5. No claim under this act shall be subject to review or adjustment under section 236 of the Revised Statutes as amended.

The amendment was agreed to.

Mr. PHIPPS. I offer an amendment, which would be a new section, and ask for its consideration.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed to add a new section, to be known as section 6, and to read as follows:

SEC. 6. That no agent, attorney, or other person engaged in preparing, presenting, or prosecuting any claim under the provisions of this act shall, directly or indirectly, contract for, demand, receive, or retain for such services a sum greater than \$1,000, or, in the case of awards under this act over \$10,000 in amount, a sum greater than 10 per cent of such award. Any person who shall violate any of the provisions of this section, or who shall wrongfully withhold from a claimant the whole or any part of an award, in excess of the sums due for services rendered, as set forth in this section, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall, for each and every such offense, be fined not exceeding \$500 or be imprisoned at hard labor not exceeding two years, or both, in the discretion of the court.

Mr. KING. Mr. President, I move to strike out the words "at hard labor," and to substitute for "two years" "one year." I think for a misdemeanor the punishment is too severe.

Mr. PHIPPS. I have no objection to that proposed change. The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RELIEF OF VETERANS OF THE WORLD WAR

Mr. ASHURST. Mr. President, I supported the bill which has just been passed just as I have supported many other measures proposing to liquidate the World War.

Obviously, we are approaching a time when Members are thinking of adjournment; but I shall oppose an adjournment, and I hope to enlist the support of other Senators in opposing any adjournment unless and until legislation is passed granting the needed relief demanded by the veterans of the World War.

I commend the successful efforts of Members of this Congress to grant proper relief to the business interests of the country, and we are now about to consider the banking bill; but we should not consider an adjournment until we grant the needed legislation to the particular men who saved and preserved the business interests of the country.

There are two bills pending before the Senate Committee on Finance. One is Senate bill 3694, by the Senator from Pennsylvania [Mr. REED], to amend the World War veterans' act of 1924. The other is Senate bill 3695, by Mr. WATSON, to amend the World War adjusted compensation act. Companion bills—that is to say, relatively similar bills—are pending in another branch of Congress. I fear that a legislative "jam" may defeat this needed veterans' legislation. Therefore, from time to time, as opportunity offers, I shall urge that these bills be considered.

I now ask the chairman of the Committee on Finance when we may expect a favorable report on Senate bill 3694 and Senate bill 3695, introduced, respectively, by Senators REED of Pennsylvania and WATSON, of Indiana?

Mr. SMOOT. I expect to call a meeting of the Finance Committee just as soon as these debt settlement bills are out of the way. I know that the subcommittee having the veterans' legislation in charge will meet for the consideration of the relief measures. I do not think the Senate will adjourn until reports have been made from the committee, and the Senate will be asked to agree on whatever measures are reported from the committee.

Mr. ASHURST. In order that Senators may be advised and may know the importance of this veterans' legislation, I ask to have printed in the RECORD at this point reports on the so-called Green bill and the so-called Johnson bill, companion bills to the two Senate bills to which I have referred.

The VICE PRESIDENT. Is there objection?

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

[H. Rept. No. 554, 69th Cong., 1st sess.]

AMENDMENTS TO THE WORLD WAR ADJUSTED COMPENSATION ACT

Mr. GREEN of Iowa, from the Committee on Ways and Means, submitted the following report to accompany H. R. 10277:

The Committee on Ways and Means, to whom was referred the bill (H. R. 10277) to amend the World War adjusted compensation act, having had the same under consideration, report it back to the House without amendment and recommend that the bill do pass.

After an experience of nearly two years under the World War adjusted compensation act it has been found that while in general the act has worked well and been of great benefit to the families and dependents of deceased veterans, there were a large number of cases where parties equally entitled to its benefits were excluded from

the provisions of the act. Among these cases are those where an application for the adjusted compensation credit had been executed by the veteran but not filed before his death. There were also numerous cases where dependency, in fact, existed but, under the circumstances, was difficult to prove in conformity with the language of the original act. There were other cases where the beneficiaries found that the amount actually paid them had been greatly reduced by deductions on account of charges made against the soldier, which in some cases included even items for loss of equipment. Controversies also arose between the Veterans' Bureau and the office of the Comptroller General, which resulted in decisions overruling the Veterans' Bureau in matters that affected the amount to be received by beneficiaries under the act. These decisions were made, as a rule, upon purely technical features, and thereby many persons who would have come within the original purpose of the act as intended by Congress either received much less than was contemplated when it was adopted, or, in some cases, nothing at all.

Without going into detail, it may be said that the main purpose of this bill is to equalize the benefits of the act among the dependents of the veterans and to prevent the disallowance or reduction of claims through mere technicalities. It was not found possible to provide for every isolated case, but it is believed that practically all of those in which substantial injustice exists have been cared for. Some other features have been included for the protection of veterans against loan sharks and the public generally against the issuance of forged certificates. Further on in the report a detailed explanation is given of the changes made in the law by the bill.

The committee applied to the Veterans' Bureau for an estimate as to the cost of the changes made by this measure. The bureau made estimates of the cost of sections 1, 3, 5, and 11, as shown by the table below:

Immediate:	
Sec. 1	\$249,526.00
Sec. 3	108,386.21
Sec. 5	8,562.00
Sec. 11	1,996,920.00
Total	2,363,394.21
Future	635,580.00
Grand total	2,998,974.21

But it felt unable to furnish any definite estimate as to the cost of sections 7 and 8, being the provisions of the bill making changes as to the proof of dependency. Great difficulty is found in even making any kind of an estimate as to the cost of these provisions which lessened the proof required in such cases, but after considering all of the data presented to the committee by the bureau it would appear that the ultimate cost of these provisions will be somewhere from \$3,000,000 to \$9,000,000. This sum will be spread over about two and one-half years, but much of the greater portion of it will be paid in this and the ensuing fiscal year, or, in other words, will immediately become due and will be payable as soon as the account can be determined and checked by the proper officials. The remaining provisions of the bill make no change in expenditures, unless possibly to make some slight reductions thereof in an administrative way. Under the best information now obtainable, an outside figure of the cost of the bill, both immediate and future, will be \$12,000,000, and it may be much less.

APPLICATION BY THE VETERAN

The Comptroller General has ruled that where a veteran died after making an application but before it was filed the application is not a valid one. Section 302 of the World War adjusted compensation act has been rewritten by section 1 of the bill to change this ruling so that where a veteran died after making application it may be filed by anyone. The section, as rewritten, also provides that where the Secretary of War or Navy has in his possession a document, no matter how informal, which is found by such Secretary to disclose an intention to claim the benefits of the act on behalf of the veteran and to bear the bona fide signature of the applicant, such document shall be considered a valid application. Subdivision (c) of such section provides that if a veteran has died and payments are being made to his dependents because no application on behalf of the veteran has been submitted to the department, and then a valid application is filed, the payments to dependents shall immediately cease and payments on account of the application of the veteran shall be made to the persons entitled thereto after deducting any amounts already paid to the dependents.

To remove any doubt as to the finality of the determination of the Secretary of War or the Secretary of the Navy concerning the validity of an application or the amount of the adjusted service credit, section 303 of the act has been amended by section 2 of the bill (1) by inserting a requirement that the certificate transmitted by either Secretary to the director shall contain a statement that a valid application has been received, and (2) by removing the requirement in the present law that the facts of record used in preparing the certificate be included in the certificate.

DEDUCTION OF INDEBTEDNESS OF VETERAN TO THE UNITED STATES

Under the present law the Comptroller General has ruled that if the veteran is indebted to the United States, deduction of the amount of such debt shall be made from the adjusted service credit of the veteran.

Section 3 of the bill amends section 308 of the present law so as to prohibit such deductions and makes the amendment retroactive to the time of the original enactment of the act.

If no benefits have been extended in such cases before the passage of the amendatory act, no problem arises. When the case comes up for adjudication the credit will be computed in accordance with the law as amended without deduction for debts, and payment made in accordance with law.

If, however, any payments have already been made, the problem is presented as to how the amendment shall be given effect. Subdivisions (b), (c), (d), and (e) of section 3 of the bill make provision for such cases.

Subdivision (c) provides that if a veteran is alive at the time of the enactment of the amendatory act and the benefits of the act have already been extended to him, then the amount deducted on account of the debt shall be treated as if it were a separate adjusted service credit and the benefits of the act extended in accordance with its terms. For example: If the amount of the debt deduction is \$49, the \$49 will be paid in a lump sum. If the amount of the debt deduction is \$60, an adjusted service certificate will be issued of a face value computed on the basis of an adjusted service credit of \$60.

Subdivisions (d) and (e) cover the case where the veteran has died before the enactment of the act and where payments have already been begun or have been completed before the enactment of the amendatory act. For example: If the adjusted service credit after deduction for debt was \$100 and the debt deduction was \$100, an adjusted service certificate of approximately \$300 (the face value of a certificate computed on the basis of the debt deduction) is to be paid to the beneficiary or estate entitled thereto, in addition to the payment of the certificate computed on the basis of the adjusted service credit after making the debt deduction.

FINALITY OF DECISION

Section 4 has for its purpose the conferring on the Secretary of War, the Secretary of the Navy, and the Director of the Veterans' Bureau of final and conclusive authority in all matters arising under their respective jurisdictions. To this end the Comptroller General of the United States is directed to allow credit in the accounts of the disbursing officers of the United States Veterans' Bureau for all payments authorized by the director heretofore or hereafter made for moneys appropriated for carrying out the provisions of the World War adjusted compensation act, as amended, except those covering administrative expense such as salaries, purchases, and travel allowances as covered in section 701 of the World War adjusted compensation act.

The effect of this amendment, while it will not necessitate the removal of the present auditing system maintained by the Comptroller General in the bureau, will be to prohibit the Comptroller General or his agents from disallowing cases upon disagreement with the director in matters of law or fact involved in the interpretation or application of the act, but will not interfere with the right of the Comptroller General to disallow expenditures by disbursing officers not in conformity with instructions of the director. It will also prohibit suits against the Government under such act except as such suits are now allowable in connection with compensation payable under the World War veterans' act, 1924, as amended.

Section 305 of the present law confers upon the Secretary of War and the Secretary of the Navy authority to determine the individuals who are veterans and as to each veteran the amount of his adjusted service credit, and provides that their findings shall not be subject to review by the General Accounting Office. This section is amended by section 4 of the bill so as to leave out the statement as to the conclusiveness of their findings in this respect, such statement being unnecessary in view of the general language of section 310 as proposed by section 4 of the bill.

VETERANS OVER 75 YEARS OF AGE

Section 501 of the law is amended by section 5 of the bill by adding a provision to the effect that veterans who are over 75 years of age at the time of making application may be paid in cash. This provision is necessary because under the American Experience Table of Mortality, which the bureau is required to use, it is impossible to figure an adjusted service certificate on the same basis as 20-year endowment insurance for the reason that the table expires at age 96.

LOAN SHARKS

The attention of the committee has been called to instances where loan sharks have in their possession in some cases large numbers of certificates which they had procured by loaning money to veterans, but these sharks can not be prosecuted because the law imposes no penalty for such practices. Instances also have been cited where a person is named as a beneficiary by the veteran in consideration for making a loan to him. To discourage such practices, section 503

of the act has been amended by section 6 of the bill by making void the naming of any person as a beneficiary in consideration for a loan having been made to the veteran and by making it a misdemeanor for any person to accept assignment of a certificate or to receive a certificate as security for a loan or to loan money to veteran in consideration of the naming by the veteran of any person as beneficiary. This section necessarily does not apply in the case of loans made by banks in conformity with section 502 of the act.

DEPENDENTS

A few clerical changes have been made by section 7 of the bill in section 601 of the act in order to conform to the revised provisions concerning dependency found in section 602.

Section 602 of the act has been entirely rewritten in section 8 of the bill to restate the policy concerning dependency. Any language which might tend to indicate that a showing of dependency upon the veteran is required has been eliminated.

The requirement in respect of dependency of the widow is not materially changed. If she has remarried before making application, or if at the time of the death of the veteran she was living apart from him willfully, she is not entitled to the benefits. Otherwise, upon the showing of marital cohabitation, she is presumed to have been dependent.

A child under 18 at the time of the death of the veteran, or over 18 and before January 2, 1928, incapable of self-support by reason of mental or physical defect, is entitled to the benefits.

A mother or father is entitled to be considered dependent upon a showing of dependency upon anyone before January 2, 1928, and is presumed to be dependent if over 60 years of age before January 2, 1928. A mother is also presumed to be dependent if unmarried. The requirement in the present law of a statement under oath of the dependency in the case of the mother and father has been eliminated.

APPLICATION BY DEPENDENTS

Section 9 of the bill amends section 605 of the act in order to have it correspond in terminology and legal effect with the changes in respect of applications made in section 303.

DEFINITION OF WIDOW

Section 10 of the bill adds a new definition of "widow" to include widower, and is made to correspond with the clerical changes made by section 7.

DEDUCTION OF FIRST 60 DAYS OF SERVICE

Section 1406 of the revenue act of 1918 did not permit payment of the \$60 bonus to persons who died in the service. Inasmuch as under the World War adjusted compensation act a deduction of 60 days was made in the computation of the adjusted service credit of all veterans, including those who died in the service, this latter class was consequently discriminated against, and section 11 of the bill removes the discrimination by providing for the payment of \$60 in cash to the dependents of any such veteran.

ACCRUED RIGHTS

Because of amendments in the bill changing the basis for determining dependency in many cases, and because of certain retroactive provisions of the bill, section 12 has been added in order to validate all payments made and all applications received under the act and to assure any dependent now receiving the benefits of the act that he will continue to receive such benefits unless a person entitled to a priority in preference can establish dependency. If such person can establish dependency, he receives only the remaining benefits extended by the act.

COUNTERFEITING CERTIFICATES

Section 13 of the bill adds a new penal section to the act to cover forging, counterfeiting, etc., of adjusted service certificates and provides for the use of the Secret Service Division of the Treasury Department to enforce the provisions of this section.

LOST CERTIFICATES

Section 14 of the bill adds a new section to the act to provide for the issuance under bond of a duplicate adjusted service certificate where the director determines that such certificate, without bad faith on the part of the person entitled to payment thereon, has been lost, destroyed, or so defaced as to impair its value to the rightful holder.

[House Report No. 515, Sixty-ninth Congress, first session]

TO AMEND THE WORLD WAR VETERANS' ACT

Mr. JOHNSON of South Dakota, from the Committee on World War Veterans' Legislation, submitted the following report (to accompany H. R. 10240):

The Committee on World War Veterans' Legislation, to whom was referred the bill (H. R. 10240) to amend the World War veterans' act, 1924, having considered the same, report thereon with recommendation that it be passed.

The bill, as now presented, proposes several substantial changes in the law to which the attention of the House of Representatives should be specifically directed. They are:

1. Section 1 of the bill amends section 4 by excepting from its provisions to the effect that all employees shall be subject to the civil service laws and regulations, those persons to be appointed in the United States Veterans' Bureau medical service. This amendment is necessary in order that the permanent medical organization authorized by section 2 of this bill may be accomplished.

2. Section 2 of the bill amends section 10 of the World War veterans' act by authorizing the director to create in the United States Veterans' Bureau a permanent medical organization to be known as the United States Veterans' Bureau medical service. This service is to consist of physicians, dentists, and nurses. The pay and allowances of such persons are practically the same as that provided for officers and nurses in the Medical and Nurse Corps of the Army. The establishment of such a service in the bureau will provide a medical organization which, it has long been felt, is vital to the bureau in administering the benefits of medical, hospital, surgical, and dental treatment, provided by the laws the bureau is administering.

3. Section 2 of the bill further amends section 10 by authorizing the director to hospitalize women veterans entitled to hospitalization under the World War veterans' act in private hospitals. Your committee felt that this was an economic measure for the reason that the number of women entitled to and who require the same is so limited and the diseases with which they are suffering so varied as to make it impracticable to maintain separate institutions for them. Likewise it has been found unsatisfactory to hospitalize women in those hospitals especially adapted and equipped for men patients. The Veterans' Bureau has established a few wards for women in certain of their hospitals. However, it is necessary in most instances for women to travel great distances to reach these few institutions, and many times the same are not equipped to handle the particular disease with which the woman is suffering.

4. Section 2 of the bill also amends section 10 by granting to the director authority to improve, alter, or extend existing facilities, without the approval of the President, where such alteration, improvement, or extension does not materially increase the bed capacity for patients in any hospital. The director under the present law first appears before the President and the Director of the Budget each year in justification of his recommendations that certain alterations, improvements, or extensions are necessary. After approval of the same he then appears before the Appropriations Committees of the House and Senate explaining to such committees the need of the money requested to accomplish these projects. The projects contemplated are clearly indicated in the director's recommendations, both to the President and the congressional committees. It would seem that in view of these facts it is not only unnecessary but administratively unsound to require presidential approval for every minor alteration or repair to be made, appropriations for which have been authorized.

5. Section 2 of the bill adds an additional amendment to section 10 of the act by authorizing the President, in his discretion, to transfer to the jurisdiction of the United States Veterans' Bureau the tuberculosis hospital facilities of the Battle Mountain Sanitarium and the Northwestern Branch of the National Home for Disabled Volunteer Soldiers, and to transfer to the National Home for Disabled Volunteer Soldiers any facilities of the United States Veterans' Bureau not needed for hospital purposes but are suitable for domiciliary purposes. It is believed that the authority to make such transfers is not only in the interest of the veterans of the World War but of the veterans of other wars. At the present time there is needed for hospital purposes by the Veterans' Bureau these additional facilities which your committee believes can be spared at least temporarily by the National Home for Disabled Volunteer Soldiers. No doubt, in time to come, certain facilities of the Veterans' Bureau now needed for hospital purposes will no longer be needed for such purposes and might well be transferred to the jurisdiction of the National Home for Disabled Volunteer Soldiers for domiciliary purposes.

6. Section 3 of the bill amends section 26 of the World War veterans' act by providing that accrued amounts of compensation, insurance, and maintenance and support allowance, which have become payable but have not been paid prior to the death of the person entitled to receive the same, may be paid, instead of to the personal representative as now required by the law, where the combined amounts payable are \$1,000 or less, to such person or persons as would, under the laws of the State of residence of the decedent, be entitled to his personal property in case of intestacy. This amendment is in the interest of economic administration of small estates so as to guarantee to the persons entitled to receive the money payment of the same without cost.

7. Section 4 of the bill amends section 28 of the World War veterans' act, which relates to the recovery of payments erroneously made, by providing that when a recovery of a payment made from the United States Government life insurance fund is waived the fund shall be reimbursed to the extent of the recovery waived. These waivers are in order in those cases where the overpayment was without fault of the beneficiary and where it would be against equity or good conscience or would defeat the purposes of the benefits authorized to recover the same. While your committee felt that such recovery should

not be made in this deserving class of cases, nevertheless where the Government life insurance fund, which is a trust fund for the benefit of converted insurance policyholders, is involved, it should not be depleted by the amount waived under this liberal legislation enacted by Congress.

8. Section 5 of the bill adds a new section to Title I of the World War veterans' act, as amended, to be known as section 31, and to provide for reimbursement of beneficiaries hospitalized in Veterans' Bureau hospitals for losses sustained through the destruction of personal effects through fire in bureau hospitals. On several occasions in the past, notably at Gulfport, Miss., and Perryville, Md., fires have occurred in bureau hospitals and personal effects of patients placed in storerooms for safe-keeping during hospitalization have been destroyed. Where the patients themselves carried no insurance on their property the loss was complete and there was no way in which they could be reimbursed by the Government.

9. Section 6 adds a new section to Title I of the World War veterans' act, as amended, to be known as section 33. The provisions of this amendment authorize the director to maintain courses of instruction for the professional personnel of the bureau and to detail employees to attend the same, and also authorize the director to detail professional personnel to attend courses conducted by other than bureau agencies and to defray the expenses incident to such detail, including transportation. As science advances it becomes necessary for persons in professional pursuits who have long since severed their connections with institutions of research, schools, and colleges to have some contact with institutions of learning whereby they may keep in touch with the developments of their particular branch of work. It is only by the authority conferred upon the director by this section that the professional personnel of the Veterans' Bureau may keep in touch with the advances of science and thus enable the bureau to carry on at the acme of efficiency the function of rehabilitating disabled ex-service men.

10. Section 7 of the bill amends section 200, first, by including among those persons entitled to the benefits of compensation, hospitalization, and medical care women assigned to the Medical Corps of the United States Army who served in base hospitals overseas. The number of women who will be brought in under this amendment is very few. The services they performed with the American Expeditionary Forces were similar to the services of the enlisted personnel at the base hospitals. Their rate of pay was approximately the same as that of the noncommissioned officers, and they were under military jurisdiction and subject to military discipline. The committee believes that, in view of the type of service rendered by this class of women and the fact that some of them have been disabled while engaged in such services, they should be reimbursed in the same manner as the men with whom they served.

11. This section of the bill further amends section 200 by providing that certain specific diseases shall not be held to be the result of willful misconduct because of the nature of the diseases or the manner of their acquirement. Considerable difficulty has arisen in connection with the adjudication of certain claims because of the nature of the diseases with which the claimants are affected. It seems that, in the course of events, presumptions of misconduct have been raised by the very existence of these diseases notwithstanding the fact that in many instances they were innocently acquired as far as the claimant himself is concerned. It is necessary for the claimants in these cases to prove innocent origin. The impossibility of securing such proof can readily be seen, and your committee was of the opinion that these men should not be penalized for their inability to secure definite proof of the absence of misconduct on their part.

12. It further amends section 201, subdivision (1), by providing that the Director of the Veterans' Bureau may allow funeral expenses in those cases in which the veteran dies leaving no assets which in his judgment should be applied to meet the expenses of burial and funeral and the transportation of the body. Heretofore, before payment could be made it has been necessary to show that the veteran left insufficient assets to meet the expense of his burial and funeral, and even then there was payable only the difference between any assets that might have been left and the sum of \$100. The committee feels that in cases where the veteran leaves but a small amount of assets, his widow and children should not be required to exhaust this small amount by applying it in payment of funeral expenses, but that the Director of the Veterans' Bureau should be allowed in his discretion to pay the full amount where the assets of the estate are small notwithstanding that they might be sufficient to pay for a \$100 burial. The finding of the director in these cases is made conclusive on the General Accounting Office.

13. Section 9 of this bill amends section 202, first, by providing in arrested cases of tuberculosis a minimum rate of compensation of \$35 per month for a period of five years. In view of the residual latent disability in cases of tuberculosis and the danger of reactivation, your committee was of the opinion that these men should be allowed a greater amount of compensation than the average case during the period immediately following the time their disability reaches the condition characterized as "arrested." It is during this time that the danger of reactivation is most imminent, and the committee thought

that by allowing these men a sufficient amount to permit them to gradually resume their occupations without stress or strain that in the end the purpose of this legislation would be more thoroughly accomplished and an actual saving result to the Government. It is not proposed to make this proviso retroactive.

14. The section further amends section 202 by providing that organic loss of speech shall be held to be permanent and total disability. This amendment covers the cases where shrapnel and similar wounds have completely destroyed the power of speech and in most instances left severe facial disfigurement. The rate of compensation provided for this class is \$150 per month. Your committee was of the opinion that this was small compensation for the terrible loss suffered by these individuals.

15. The next amendment has only for its purpose the clarification of the language now in the law and does not in any way affect the law as now written and construed.

16. This section of the bill adds a new proviso by which, where total disability has existed for a period of 12 consecutive months, the claimant shall be rated permanently and totally disabled thereafter so long as total disability continues. This amendment is in line with modern insurance practice of recognizing permanent and total disability as existing where total disability continues for a specified period of time. In some instances insurance companies provide in their insurance contracts that permanent total disability shall be presumed to exist wherever total disability has existed continuously for a period of three months. Your committee felt that this 12-month proviso was eminently fair.

17. The next amendment is in connection with those cases where compensation for mentally incompetent persons without dependents has been reduced. Provision is first made for an increase from \$20 to \$30 per month. The amount now allowed by the statute has been found to be manifestly inadequate for the furnishing to incompetent patients of clothing and the other necessities of life which are not furnished by the hospitals. Your committee felt that by allowing this \$10 per month additional this need would be covered.

18. Provision is also made that upon recovery of such person of his reason, such additional sum shall be paid to him as will equal the total sum by which his compensation has been reduced. The present law provides that upon recovery of reason the disabled person shall be paid an additional amount of \$60 per month for each month his compensation was reduced. It was felt that such a veteran was entitled to compensation in an amount equal to the difference between what he would have drawn if his compensation had not been reduced by the provisions of said section rather than the flat rate of \$60 additional.

19. The next amendment strikes from the World War veterans' act the provision authorizing reduction of compensation to \$40 a month of those veterans maintained by the bureau in institutions, and who are without dependents, after June 30, 1927. The committee felt that the fact that a man was hospitalized by the Government should not work a penalty by causing a reduction in the amount of compensation he would receive. It was also felt that this section would cause many men in need of hospitalization to refuse the same because of the reduction in compensation incident thereto.

20. The next amendment is the elimination of the so-called misconduct clause from the provision for medical care and treatment for those veterans disabled in the service between April 6, 1917, and July 2, 1921, irrespective of compensability.

21. The next amendment provides out-patient treatment for veterans of any war suffering from disability not incurred in the service. The present law grants the right of hospitalization to veterans under the same circumstances. However, there are many instances where veterans could be treated without the necessity of sending them to hospitals, but the present law does not provide for treatment except in hospitals. Your committee felt that by this amendment providing for out-patient treatment, hospitalization will be somewhat curtailed.

22. The same amendment also eliminates the present restrictive date of "1907," making the provision applicable to veterans of all wars without respect to the time of their occurrence. Inasmuch as the Government offers hospitalization, either through the Veterans' Bureau or the National Home for Disabled Volunteer Soldiers, to veterans of any and all wars, it was felt that it would be a saving to the Government to permit hospitalization of all veterans in Veterans' Bureau hospitals. In many instances the Veterans' Bureau hospital is much more conveniently located than the hospitals of the soldiers' homes.

23. The amendment also includes within the hospitalization provisions Spanish-American War nurses, contract surgeons, and contract dentists. The committee felt that the services performed by these three classes of personnel during the Spanish-American War warrant some provision for their care and treatment by the Federal Government.

24. The last amendment to section 202 (10) provides that where veterans hospitalized in Veterans' Bureau hospitals are financially unable to supply themselves with clothing the director may furnish

such clothing as he may deem necessary. In many instances veterans enter Government hospitals in the summer time with no clothing other than that which they are wearing. At the time of their discharge the seasons have changed and their clothing is entirely inadequate to their needs, particularly in those cases where the hospital is located in a different section of the country than the one from which the man was hospitalized. An instance is known where a man was discharged from a Veterans' Bureau hospital in midwinter in a Palm Beach suit and a straw hat.

25. The section further amends the act by providing for hospitalization in other than Government hospitals in the Territories of the United States. The purpose of this amendment is to provide for hospitalization in contract institutions in the Territory of Alaska, from which it is now necessary to transport veterans entitled to hospitalization under the existing law to the United States in order to place them in Government institutions.

26. It further amends the law by providing that prosthetic appliances will be furnished to veterans entitled to the benefits of this particular subdivision if they are unable to supply themselves with the same. At the present time the Veterans' Bureau can furnish these men with such appliances while in hospitals, but after they leave the hospital, should it become necessary to renew or replace them, the bureau is unable to do so unless it is necessary to rehospitalize them.

27. Section 10 of the bill amends section 203 by providing an allowance of \$2.65 per day to men undergoing observation or examination by the bureau. This allowance is to be in lieu of reimbursement for loss of wages now authorized by law. In many instances it has been found that farmers, commission merchants, etc., have been unable to secure reimbursement because no actual loss of wages can be shown. The committee felt that all men should be placed on the same footing. Consequently this amendment is recommended.

28. Sections 11 and 12 of the bill repeal sections 206 and 209 of the act, which now contain the time limitation on filing claims and furnishing proof of service connection for disabilities. It was not felt by your committee that a man disabled in the military service should be penalized for delaying the filing of his claim. If he can not show proof of service origin, that is an administrative matter which can be passed upon by the director. If he can show service origin of his disability, either by records in the military service or otherwise, he certainly should not be penalized for his delay.

29. Section 13 of the bill amends section 212 of the World War veterans' act as amended, first, by making the provision with reference to active service and retirement pay retroactive to April 6, 1917. This amendment is for the purpose of permitting payment of compensation from date of release to inactive duty in those cases where men in the Naval Reserve, who, although entitled to approximately \$1 a month by reason of being in the reserve, have been denied compensation because they were in receipt of service pay. A provision having a similar purpose was inserted in the June 7, 1924, law, but as it was not made retroactive it did not accomplish what was sought to be done.

30. This section further amends the law by providing that the scale of disability ratings recently adopted shall be applied to those persons who receive compensation for injuries incurred prior to April 6, 1917, or subsequent to July 2, 1921, under the war risk insurance act, as amended, where an accrued right exists. At the present time it is necessary for the bureau to maintain two schedules—one for those men entitled under the World War veterans' act and one for those men entitled under the war risk insurance act. The use of two schedules for rating purposes was thought unwise both by the bureau and your committee. This amendment is recommended to take effect only from the date of the passage of this amendatory act.

31. Section 14 amends section 300 of the act by granting a period of one year for men entering the service in which to apply for insurance. In many instances it is known that men are not thoroughly familiarized with their right to take insurance before the expiration of the 120-day period. It was felt by your committee that this additional period should be allowed.

32. This section of the bill further amends section 300 by validating applications made by members of the reserve forces while in attendance at military or naval training camps. Many of these men, upon application, were granted insurance and are now paying premiums. It is impossible for the bureau to determine just which of the applications received were made by reservists on temporary detail. Under the ruling of the Comptroller General they have been held not entitled to apply. This amendment is for the purpose of guaranteeing to these men who have applied the insurance which has heretofore been granted.

33. The next amendment to section 300 is a proviso granting to members of the Coast Guard the same rights with reference to Government insurance as are now extended to the Army and Navy.

34. Section 15 of the bill extends the time for continuing term insurance to July 2, 1929. This is an extension of three years. Your committee felt that this extension of time should be granted in view of the fact that thousands of men have as yet not been able to successfully readjust themselves to postwar conditions sufficiently to permit them to pay the higher rates for converted insurance.

35. Section 301 is further amended to permit the bureau, where the monthly payment is less than \$5, to allow the payments to accumulate without interest and be disbursed annually. The purpose of this amendment is obvious—to avoid a multiplicity of checks for small amounts.

36. Section 16 of the bill amends section 303 of the act to preserve the rights of certain minors and incompetent persons who, although entitled to payments of insurance on March 4, 1925 (the date of the amendment of section 303 to its present form), had been made no award. The committee felt that it was not the intention of the amendment of March 4, 1925, to divest these beneficiaries of their right to insurance simply because there was no running award as of the date of the amendment.

37. Section 17 amends section 304 by extending the time for reinstatement of insurance in the same manner as the extension of time for conversion, to wit, until July 2, 1929. It also provides that where a veteran is unable to pay all premiums in arrears with interest, the amount of such premiums and interest may be established as an indebtedness against the policy and carried as a lien thereon where reinstatement is accomplished within one year of the passage of the amendatory act.

38. Section 18 amends section 305 by providing that insurance received under the provisions of that section shall not be paid to any persons other than the widow, child, children, dependent mother or father, in the order named. This section is one which revives insurance by the use of uncollected compensation. It is a most liberal provision of the law and it was felt that it should not be permitted to revive insurance where no immediate members of the insured's family were alive to take the same.

39. Section 19 of the bill adds a new section to be known as section 308. It provides that where any person remits a premium in the month immediately following the grace period and is in the required state of health to reinstate his insurance at the time of his remittance, the insurance shall be held to be in force at the date of his death or permanent and total disability. This is to take care of the class of cases where the insured attempted to continue his insurance but death occurred before the designated requirements for reinstatement could be accomplished.

40. Section 20 of the bill adds a new section to the law to be known as section 309. This section permits revival of insurance in cases where the \$60 bonus provided by the act of February 24, 1919, was not paid and which if applied to the payment of premiums when due would have equalled or exceeded the same. In view of the fact that this \$60 bonus was not paid to the estate of the individuals who died, or to their heirs, it was felt that it should be allowed to apply to payment of insurance premiums if it was sufficient to cover those due at the time of lapse.

41. Section 21 amends section 406 by extending the time of training for those men who are now in training. The extension of time for those in placement training is to January 1, 1927, and for those in institutional training two years after the passage of this act. The committee felt that as these men had embarked on courses of education prescribed for them they should be permitted to finish the same notwithstanding that the general provisions for training provided for termination June 30, 1926.

42. Section 22 of the bill adds a new section to be known as section 506. This amendment provides that the penal provisions of the World War veterans' act shall be applicable to the Philippine Islands. At present the penal provisions of the act are not applicable to the islands named, and it was felt by your committee that in view of the large number of claimants residing there, persons attempting to secure the benefits of the statute should be subject thereto for falsification of records, perjury, etc.

Attached hereto is a letter from Gen. Frank T. Hines, Director United States Veterans' Bureau, estimating the probable cost of the bill.

UNITED STATES VETERANS' BUREAU,
Washington, March 10, 1926.

HON. ROYAL C. JOHNSON,
Chairman House Committee on
World War Veterans' Legislation,
House of Representatives, Washington, D. C.

MY DEAR MR. JOHNSON: There is submitted herewith for your information annual estimates of the probable cost of the amendments to the World War veterans' act of 1924, as proposed in H. R. 4474 for the next three years. In considering these estimated costs it is to be borne in mind that in several items the actual cost would depend upon the method of administration, and that in certain other items the actual increased cost is problematical, although the figures shown represent the best possible estimate at this time based upon existing records.

	Cost during—				Cost during—		
	First year	Second year	Third year		First year	Second year	Third year
Sec. 2 amends sec. 10. Based upon the present strength of the Veterans' Bureau personnel of doctors, dentists, and nurses, the estimated net annual cost of a permanent medical service in the U. S. Veterans' Bureau is.....	\$403,500	\$403,500	\$603,500				
Sec. 2 further amending sec. 10, authorizing the director to hospitalize women veterans entitled to hospitalization under the provisions of the act in other than Government hospitals, will cost approximately.....	32,000	32,000	32,000				
This estimate is based upon the percent of men who are hospitalized under sec. 202 (10) to the total male military population, and this percent is applied to total women veterans.							
Sec. 5 adds sec. 31, which provides for the reimbursement of beneficiaries for any loss of personal effects by fire while hospitalized in Veterans' Bureau hospitals. This cost will not be material, since the fire hazard in veterans' hospitals has been reduced to a minimum, although the retroactive features of this section will apply to 1 case where the known loss was approximately.....	7,000						
Sec. 6, providing that a new section be added to be known as sec. 33, allows the director at his discretion to provide courses of instruction for professional personnel of the bureau. It is estimated that the cost of this provision will approximate.....	20,000	20,000	20,000				
This estimate is based upon the experience of the Army in providing instruction in professional courses conducted by other than bureau agencies.					\$7,119,600	\$7,749,600	\$8,799,000
Sec. 7 amends sec. 200 to provide that women assigned to the Medical Corps of the United States who served in base hospitals overseas can receive all benefits of the World War veterans' act. This cost will not be material if the application of the amendment is limited to nurses' aids, dietitians, technicians, and secretaries assigned to base hospitals overseas, in that these groups totaled but 500. Based upon the percentage of total military strength of the Army which is receiving compensation, there results but 25 potential cases to be compensated, which, if compensated at the average rate, would result in an increased annual cost approximately.....	11,300	11,300	11,300		1,761,396	1,761,396	1,761,356
Sec. 7 further provides that sec. 200 be amended so that no person shall be denied compensation by reason of diseases resulting from willful misconduct. It is estimated that there are approximately 5,100 misconduct cases disallowed and 300 cases on which compensation payments have been discontinued. Payments on these cases approximate \$39 a month, resulting in an annual cost of.....	2,585,700	2,585,700	2,585,700				
This estimate does not consider the payment of retroactive compensation nor the cost of increased compensation in those cases where compensation is being paid for service-connected disability, but where the claimant is suffering from a disability resulting from misconduct for which increased compensation will now be paid.					612,000	612,000	612,000
Sec. 8 amends sec. 201 to provide for the payment of burial expenses for veterans of all wars who die without leaving sufficient assets which in the judgment of the director should be applied to meet the expenses of burial and transportation. It is believed that the regulations issued by the bureau with reference to the payment of burial expenses will in the end result in few more burial awards than are being paid under the existing law. Therefore, it is estimated that the proposed change will have no appreciable effect on the cost of burials as such. It is further believed that there will be a material saving in administrative expenses. During the fiscal year 1924 the cost of burials was \$448,578, and the cost of shipment of bodies incident thereto was \$45,755. The few new cases which might result would probably be offset by the savings in administrative cost.						4,184,400	4,184,400
Sec. 9 amends sec. 202 to provide that any ex-service person shown to have had a tuberculous disease of a compensable degree, and who in the judgment of the director has reached a condition of complete arrest, shall receive compensation of not less than \$35 a month for a period of five years. There are approximately 15,417 tuberculosis cases							
rated at less than 50 per cent, and these for the purpose of this estimate are assumed to be arrested, in accordance with rating procedure to date. Payments are now being made on these cases at the rate of \$242,919 a month. If these cases were rated at 50 per cent permanent partial, the monthly payment would be \$539,595, or a monthly increase of \$296,676. The annual increase on this basis would be \$3,560,112. There are approximately 7,975 cases on which payments have in the past been made, and which are now rated "less than 10 per cent." To pay these cases \$35 a month would cost \$3,349,500 a year, and the total annual cost for the payment of \$35 a month for tuberculosis cases in the state of complete arrest would approximate \$3,909,612. For these cases alone this cost in five years would be approximately \$34,648,060. In addition to these cases, the experience of the bureau has shown that approximately 1,000 tuberculosis cases are terminated "less than 10 per cent" each year. The cost of paying these cases which would normally be rated at less than 10 per cent during the next five years will be approximately \$3,360,000, which must be added to the cost of \$34,648,060, making a total of approximately \$37,908,060. Upon the above basis the cost for the first three years for all cases affected would approximate.....							
Sec. 9 further amends sec. 202 to provide for the payment of permanent total compensation in all cases where temporary total compensation has continued for a period of 12 consecutive months. A study of 1,600 temporary total cases indicates that 66½ per cent have had a temporary total rating for a period of 1 year or more. Assuming that these 1,600 cases are representative, it is estimated that 16,382 cases now receiving temporary total compensation will be rated on a permanent total basis, thus increasing the average payment from \$86.66 to \$95.62, there would be a monthly increase for each of these cases of \$8.96, resulting in an annual cost of.....							
This does not take into consideration the increased cost of paying insurance awards in these cases which would be rated permanent total.							
Sec. 9 further amends sec. 202 to provide that when a patient has been hospitalized for a period of 6 months, and shall be deemed by the director to be insane, compensation shall be paid at the rate of \$90 a month. At present payments are being made at the rate of \$20 a month, and very few of these insane patients recover, so that the \$10 additional which it is proposed by the amendment to pay will be an added cost in each case. At present there are approximately 5,100 cases on which compensation has been reduced to \$20 a month. To increase this compensation at the rate of \$10 a month would cost.....							
Sec. 9 further amends sec. 202 to provide that the monthly compensation of veterans hospitalized after June, 1927, shall not be reduced to \$40 a month. This will involve no immediate cost, although it was expected that there would be a considerable saving due to this reduction for unmarried men who are hospitalized after June 30, 1927. It is estimated that there will be approximately 12,074 men in hospitals who have no dependents. Deducting from this number the 5,100 insane veterans whose compensation has been reduced to \$20, there is left a balance of approximately 6,974 cases. The saving expected on these cases was approximately \$600 a year on each case, or a total of \$4,184,400, which the elimination of this provision will cost annually.....							
Sec. 202 (10): The extension of outpatient treatment to all veterans will not be an immediate cost, but will make impossible the reduction of outpatient dispensary facilities which would have resulted had these facilities been limited to the treatment of service-connected disabilities.							
The furnishing of prosthetic appliances for veterans entitled to hospitalization under sec. 202 (10) will it is estimated cost approximately.....	10,000	10,000	10,000				

	Cost during—		
	First year	Second year	Third year
Sec. 202 (10) further provides that where nonservice cases are hospitalized and are financially unable to supply themselves with clothing the Government will furnish these beneficiaries with the necessary clothing. The maximum cost of this provision is estimated at \$447,000, although for the purpose of estimate this figure is discounted by 50 per cent, producing a final estimated figure of.....	\$220,000	\$220,000	\$220,000
Sec. 10 amends sec. 203 to provide for a per diem allowance of \$2.65 for the period of travel and observation. From a study of 500 cases paid under the existing law which provides that payment shall not exceed \$80 a month, although in many cases \$10 a day is allowed for short period, the average as the law is now being administered does not exceed \$2.65 a day. The administrative cost will be materially lessened, and it is therefore, believed that a small saving will be effected by this provision.			
Sec. 209 is amended so that there will be no time limit for the filing of claims. During 1925, 43,524 claims were filed, and it is estimated that during the fiscal year 1926 approximately 30,108 claims will be filed. Since the passage of the World War veterans' act of 1924, 7,500 cases have been awarded compensation which would have been disallowed had it not been for the 2-year extension allowed under this act. It is expected that at the end of the 2 years approximately 10,000 cases will have been allowed under this extension. This is approximately 13 per cent of the total number of claims filed. Reducing the number of claims filed by the experience over the past 2 years, and using the 13 per cent as the rate of allowance of these claims, and the value of these claims (\$23.50 a month) as a cost, it is estimated that the cost resulting from this provision for the next 3 years will be approximately.....	671,580	1,182,480	1,540,110
There will be added to the total compensation pay roll each year additional cases in decreasing yearly totals. Thus, over and above the cases figured for 1927, which will cost \$671,580, there will be brought additional cases in 1928, 1929, etc., at an estimated cost of \$510,930, \$357,630, etc. From the above it is apparent that the cost of this legislation over the next several years is accumulative, although the extent of such accumulation is dependent upon the duration of the award for the new cases brought in.			
Sec. 15 amends sec. 301 to provide for the continuation of term insurance for a period of 3 years. The chief effect of such a continuation would be the increased cost due to the continued application of sec. 305, assuming that sec. 305 under the present law is not effective subsequent to July 2, 1926. Based upon current experience, the amount of term insurance which might be brought in under sec. 305 by the continuation of the term-insurance provisions for another 3 years is estimated at \$105,039,900. Payment on this insurance would continue over approximately 20 years, accumulating each year as follows.....	5,252,000	10,504,000	15,756,000
Sec. 18 amends sec. 305 by limiting the class of beneficiaries. The above estimate of costs due to the continuation of term insurance through the amendment of sec. 301 can, therefore, be discounted by 45 per cent, with the resultant value of insurance which might be brought in totaling \$57,771,945. Through this limitation there results, therefore, a material saving each year as follows.....	12,362,000	14,724,000	17,086,000
Net cost of extension of term insurance.....	2,890,000	5,780,000	8,670,000
Sec. 20 amends sec. 309 to provide for the application of the uncollected \$60 bonus for the reinstatement of lapsed insurance. It is impossible to estimate the cost of this provision, although it is not believed that a great many cases will be affected.			
Sec. 21 amends sec. 406 to provide for the continuation of 6 months for placement trainees and for 2 years for professional trainees whose courses are not completed prior to July 1, 1926. The estimated cost of this provision is.....	4,823,995	1,931,920	-----
Estimated net annual costs.....	21,168,000	26,483,900	29,049,000

¹Savings.

It is to be borne in mind that the above estimates include certain costs which are (1) costs for just two years, such as for continuation of training; (2) not immediately effective, such as the elimination of the \$40 hospital rate for patients without dependents, which under the present law would commence July 1, 1927; and (3) those which are accumulative in effect; that is, under the provision drawing in additional cases each year. These factors account for the variation in the above indicated annual costs for the first three years, varying from approximately \$21,141,000 in the first year upward to \$29,029,000 in the third year. All the above estimates are based upon rates resulting from the application of the old rating schedule and do not consider the effect of the new rating schedule.

Very truly yours,

FRANK T. HINES, Director.

Mr. KING. Mr. President, will the Senator yield?

Mr. ASHURST. I yield.

Mr. KING. I am sure the Senator does not mean to convey the idea—and I am asking for information—that the Congress has been derelict in caring for the veterans of the World War. I call the attention of my learned friend to the fact that last year we appropriated nearly \$500,000,000 for the Veterans' Bureau, and this year we have already appropriated more than \$400,000,000. The amount we appropriated last year was more than was appropriated by Congress in nearly 50 years for the soldiers of the Civil War.

I am sure the Senator will confirm the view that Congress has tried to deal generously with the wounded and those who have suffered disabilities, not only in providing hospitals but in providing very liberal compensation for the injuries which they have sustained. As a member of the Finance Committee, I assure the Senator that any other legislation pending relating to those who have sustained disabilities will have sympathetic consideration.

Mr. BLEASE. Mr. President, will the Senator yield?

Mr. ASHURST. I yield.

Mr. BLEASE. I would like to ask the Senator from Utah if this money that is being expended is being given to the ex-service men, or is being paid for high salaries to somebody who is supposed to be looking after the ex-service men.

Mr. KING. I have said upon the floor of the Senate upon two or three occasions that in my opinion the number of employees of the Veterans' Bureau is entirely too large. I think that if the number of employees should be cut 50 per cent and a large number of the salaries should be cut, there would be more money for those who have been injured. My recollection is that the salaries and the administration of the Veterans' Bureau cost last year \$45,000,000. I ask permission, if I am in error, to correct that in the RECORD, because I am only speaking from recollection of bills that were before us.

Mr. BLEASE. How much would that leave out of the appropriation for the men who really are in need, and ought to have the money?

Mr. KING. Subtract \$45,000,000 from \$451,000,000, which was appropriated last year. That is a stupendous sum. That is nearly one-half of the entire amount appropriated for the expenses of the Government before the war. I just mention that to show the liberality and the generosity of Congress in dealing with this important question.

Mr. ASHURST. Certain administrative features of existing law require that amendments should be made. The expense proposed to be added to the present annual appropriation for the Veterans' Bureau would annually aggregate about \$29,000,000.

Included in the report on the Johnson bill, which I have inserted in the RECORD, is a copy of a letter from General Hines, Director of the Veterans' Bureau, giving a summary of the estimated expenditures.

NATIONAL BANK BRANCHES

Mr. PEPPER. Mr. President, I ask unanimous consent that we take up and give immediate consideration to House bill 2, to amend an act entitled "An act to provide for the consolidation of national banking associations," approved November 7, 1918; to amend section 5136 as amended, section 5137, section 5138 as amended, section 5142, section 5150, section 5155, section 5190, section 5200 as amended, section 5202 as amended, section 5203 as amended, section 5211 as amended, of the Revised Statutes of the United States; and to amend section 9, section 13, section 22, and section 24 of the Federal reserve act, and for other purposes.

Mr. STANFIELD. Mr. President—

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Oregon?

Mr. PEPPER. I yield.

Mr. STANFIELD. I do not want to object to the Senate taking up that bill, but I would like to ask that the Senator

have it temporarily laid aside, so as to permit me to ask unanimous consent to take up Senate bill 786.

Mr. KING. What is Senate bill 786?

Mr. STANFIELD. It is a bill to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, and acts in amendment thereof.

Mr. KING. I do not think we can take that up at present.

Mr. PEPPER. I should be very glad indeed to postpone my request for unanimous consent to the request of the Senator. I am deeply interested in the civil service retirement bill and do not wish to press any other measure ahead of it.

Mr. KING. If the Senator is not enough interested in his own bill to protect it against invasion from without, I will help him protect it. I object.

The VICE PRESIDENT. Is the Senator objecting to the request of the Senator from Oregon, or to that of the Senator from Pennsylvania?

Mr. KING. There was a request made that we proceed to the consideration of the McFadden banking bill.

Mr. DILL. That has not been put.

The VICE PRESIDENT. That request has not been put by the Chair.

Mr. DILL. That bill will take considerable time, and it will lead to a great deal of discussion. It is a bill in which a great many Senators are interested, and if the Senator is going to ask unanimous consent, I think there ought to be a quorum here. I make the point of no quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Frazier	McKellar	Sackett
Blease	George	McKinley	Sheppard
Borah	Gerry	McLean	Shipstead
Bratton	Gillett	McMaster	Shortridge
Bruce	Glass	McNary	Simmons
Butler	Hale	Means	Smoot
Cameron	Harrell	Metcalf	Stanfield
Copeland	Harris	Norbeck	Steck
Couzens	Heflin	Nye	Stephens
Curtis	Jones, N. Mex.	Overman	Swanson
Dale	Jones, Wash.	Pepper	Trammell
Deneen	Kendrick	Pine	Wadsworth
Dill	King	Ransdell	Warren
Edge	La Follette	Reed, Mo.	Watson
Ferris	Lenroot	Robinson, Ark.	Willis

Mr. McKELLAR. I desire to announce the unavoidable absence of the junior Senator from Tennessee [Mr. TYSON]. I will let this announcement stand for the remainder of the day.

Mr. HARRIS. I desire to announce that the Senator from Texas [Mr. MAYFIELD], the Senator from West Virginia [Mr. GOFF], and the Senator from Delaware [Mr. BAYARD] are engaged in a committee meeting.

The VICE PRESIDENT. Sixty Senators having answered to their names, a quorum is present.

Mr. PEPPER obtained the floor.

Mr. McNARY. Mr. President, will the Senator yield to me for the purpose of submitting a conference report on the agricultural department supply bill?

Mr. PEPPER. May I ask the Chair whether I correctly understand the situation? I asked unanimous consent to take up Order of Business No. 357, House bill 2. There was interposed the suggestion of no quorum. I should like very much to have my request for unanimous consent disposed of; and if it is given, I shall be glad then to yield to the Senator from Oregon.

The VICE PRESIDENT. The matter before the Senate is the request of the Senator from Pennsylvania for unanimous consent to proceed to the consideration of House bill No. 2. Is there objection?

Mr. DILL. Mr. President, I want to ask the Senator from Pennsylvania a question. I understand that the public buildings bill is the unfinished business, but that this request, if granted, will not displace that bill?

Mr. PEPPER. I answer the Senator by saying that I purposely did not move to take up the bill, because I want to avoid displacing the public buildings bill. I am merely asking unanimous consent for the consideration of the banking bill, subject to the rights of the public buildings bill.

Mr. DILL. With no intention of pressing the banking bill to a conclusion?

Mr. PEPPER. There is no intention on my part of pressing it to a conclusion to the prejudice of legislation with a prior claim.

Mr. LENROOT. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. LENROOT. Has the public buildings bill been temporarily laid aside?

The VICE PRESIDENT. It was laid aside temporarily two or three days ago.

Mr. LENROOT. That is still the status of it?

The VICE PRESIDENT. It is.

Mr. BRUCE. Mr. President, if the present application to the Senate for unanimous consent is granted, would it displace the public buildings bill? If so, I object.

The VICE PRESIDENT. The unanimous-consent request of the Senator from Pennsylvania would not displace the public buildings bill.

Mr. BRUCE. Very well.

Mr. SWANSON. The public buildings bill has been temporarily laid aside for several days and has not been taken up again. It can be called up at any time under the unanimous-consent agreement, as I understand it.

Mr. WATSON. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. PEPPER. I yield to the Senator from Indiana.

Mr. WATSON. The next bill on the program is the railroad labor bill, which has the right of way. I have no desire to call it up at this time, because when taken up I want to keep it before the Senate continuously until it shall have been either passed or defeated. I want to inquire of the Senator from Pennsylvania whether he intends to press his measure to the exclusion of the railroad labor bill if and when the proper time comes to take it up?

Mr. PEPPER. No; I merely wish to take advantage of the present opportunity to get the banking bill before the Senate. I recognize that the railway labor bill has a prior right to consideration, and I am glad to say to the Senator from Indiana that if the banking bill is taken up and if while it is before the Senate the railway labor bill is brought forward by him and pressed for consideration, I shall be glad to agree that the banking bill may be temporarily laid aside for that purpose.

Mr. KING. Mr. President, will the Senator from Pennsylvania yield?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Utah?

Mr. PEPPER. I yield.

Mr. KING. As I understood the Senator from Pennsylvania, he just stated to the Senator from Indiana that the railroad labor bill should have the prior right of way over the banking bill. I was wondering by what authority that had been done, whether it was by the steering committee of the Republicans or whether it was through the generosity of the Senator from Pennsylvania?

Mr. PEPPER. I made that statement from this point of view. As I understand it, the order of importance which, by the common consent of the Senate, is given to measures before the Senate is first the public buildings bill, second in point of general importance the railway labor bill, and third the banking bill, and then other great measures with which the Senator is familiar.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. PEPPER. Certainly.

Mr. ROBINSON of Arkansas. I really do not know how the Senator reaches that conclusion. I think he undertook to state the viewpoint of the Senate that one of the great measures which he mentioned would be relegated if the other matter in charge of the Senator from Indiana were brought before the Senate.

Mr. PEPPER. The Senator will not understand me as attempting to express his view. I was indicating merely my own view.

Mr. ROBINSON of Arkansas. But the Senator did express the view of the Senate, or what he understood to be the view of the Senate, and I was wondering how he had arrived at it.

Mr. WATSON. Mr. President, may I make a statement in that regard?

Mr. PEPPER. I yield to the Senator from Indiana.

Mr. WATSON. The majority is responsible for legislation or for the initiation, at all events, of legislation. The majority has a steering committee for the purpose of bringing in measures in accordance with what it deems to be the relative importance of the measures. In accordance with that program, which everybody recognizes, the steering committee brought in the public buildings bill. Then next in order was the railroad labor bill and then the banking bill.

Mr. ROBINSON of Arkansas. The Senator is giving us that information. We had not received it before. What other measures of great importance, if the Senator will kindly inform the

Senate, does he expect to have considered on the program during this session?

Mr. WATSON. The Senator interrogates me, but I am not a member of the steering committee.

Mr. ROBINSON of Arkansas. The Senator is speaking for the steering committee.

Mr. WATSON. Because the steering committee has made this program.

Mr. ROBINSON of Arkansas. The Senator has impliedly criticized the intelligence of Senators who do not know what is the program of the steering committee.

Mr. WATSON. The steering committee has made a report with which we on this side of the aisle are familiar.

Mr. ROBINSON of Arkansas. To whom has the steering committee reported?

Mr. WATSON. To the Republican caucus.

Mr. ROBINSON of Arkansas. Oh, to the Republican caucus.

Mr. WATSON. Certainly; because the Republicans are in the majority and have the right to initiate legislation.

Mr. ROBINSON of Arkansas. The Senator is familiar with the report of the steering committee to the Republican caucus and has given us the advantage of the information that it is proposed to treat the public buildings bill as of first importance, the railway labor bill as of second importance, and the banking bill, in which the Senator from Pennsylvania is interested, as of third importance. Will he go a step further and give the Senate and the country information as to what other measures the steering committee contemplates shall be considered during the present session of Congress?

Mr. WATSON. So far as I know, the steering committee has reported no further than those three bills.

Mr. ROBINSON of Arkansas. That is as far as the steering committee has gone?

Mr. WADSWORTH. Mr. President, with the Senator's permission—

Mr. PEPPER. I yield to the Senator from New York.

Mr. WADSWORTH. The steering committee also suggested for the consideration of the Senate what might be termed the Army Air Service bill.

Mr. ROBINSON of Arkansas. The Senator from New York has contributed valuable additional information regarding the report of the steering committee.

Mr. WATSON. The Senator from New York is chairman of the steering committee.

Mr. ROBINSON of Arkansas. To the chairman of the steering committee I will address my inquiry, with the permission of the Senator from Indiana and the Senator from Pennsylvania.

Mr. PEPPER. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. What further bills of general public interest does the steering committee contemplate asking the Senate to consider during the present session, and when is it anticipated that the program of the steering committee will be consummated and the Senate be able to adjourn sine die?

Mr. WADSWORTH. I can not answer that question.

Mr. ROBINSON of Arkansas. But the Senator can answer the first part of the question?

Mr. WADSWORTH. A great deal of the answer to that question will depend upon the attitude of the minority toward some of the bills and the amount of time they consume in discussing them.

Mr. ROBINSON of Arkansas. It would be interesting to know whether the steering committee, in its machinations and contrivances, has chosen to put forward a so-called farmers' relief bill.

Mr. McNARY. Mr. President—

Mr. ROBINSON of Arkansas. May I inquire if my friend the Senator from Oregon, is a member of the steering committee?

Mr. McNARY. Answering the able Senator from Arkansas, I am not a member of that committee.

Mr. ROBINSON of Arkansas. By what authority does the Senator speak, then? [Laughter.]

Mr. McNARY. I shall impress upon the committee during the week the importance of taking up some farm-relief legislation and having it on the program.

Mr. ROBINSON of Arkansas. Did the Senator say he shall do so?

Mr. McNARY. I shall, but failing to persuade the committee, I shall bring it upon the floor of the Senate, in which event I hope the Senator from Arkansas will aid the Senator from Oregon to bring a farm relief bill before the Senate.

Mr. ROBINSON of Arkansas. Will the Senator take us further into his confidence and tell us what farm relief bill

is going to receive the benefaction of his influence with the steering committee?

Mr. McNARY. The Senator from Oregon has reported a farm relief bill, and the report was printed and placed on the desks of Senators this morning, I think. It contemplates the so-called administration plan of a cooperative marketing division in the Department of Agriculture.

Mr. ROBINSON of Arkansas. Is it the Tinchler bill or the Haugen bill?

Mr. McNARY. It is a modification of the so-called McNary-Haugen bill. I will say to the Senator from Arkansas that it is an amendment to the cooperative marketing bill now before the Senate. It is on the calendar, and I shall press for the consideration of it during the present session of Congress.

Mr. ROBINSON of Arkansas. But the Senator will not do that until he has obtained the permission of the steering committee?

Mr. McNARY. No, indeed; I am going to ask permission; but that permission being denied, I am going to proceed in my own way.

Mr. ROBINSON of Arkansas. Why does not the Senator proceed in his own way, without reference to the steering committee?

Mr. McNARY. I want to be regular as far as I can.

Mr. PEPPER. Mr. President, I should like to remind the Senators of the present status of my request, which is merely—

Mr. BRUCE. Mr. President, will the Senator from Pennsylvania yield?

Mr. PEPPER. I will ask the Senator to permit me to finish the sentence.

Mr. BRUCE. I know that much will be lost if I do not do so.

Mr. PEPPER. About 33 per cent will be lost. Mine will be a very short statement. I have asked unanimous consent that the Senate take up the banking bill, with the understanding that by so doing I am in no way prejudicing the position of the public buildings bill, which is the undisposed of business before the Senate and which has been temporarily laid aside. I have said to the Senator from Indiana [Mr. WATSON] that in the event of long debate upon the banking bill and of the desire upon the part of Senators to take up the railroad labor bill I should agree to have the banking bill laid aside temporarily. Subject to those two statements, I renew my request for unanimous consent that the banking bill be taken up at the present time.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. PEPPER. I yield to the Senator.

Mr. ROBINSON of Arkansas. The Senator from Pennsylvania does not mean to say that he would not consent to have the banking bill laid aside for some other measure if a Senator should ask him to do so?

Mr. PEPPER. I think the Senator from Arkansas is probably always reasonable in the presentation of any request; I have never known him to make an unreasonable request.

Mr. ROBINSON of Arkansas. I may be able to submit a reasonable request to the Senator.

Mr. BRUCE. I object for the present. I should like to ask the Senator from New York [Mr. WADSWORTH] a question with regard to the program of the Republican steering committee. I should like to ask him whether the French spoliation claims bill is a part of the program. It was so at the last session of Congress.

Mr. WADSWORTH. The program of the steering committee, of course, is not complete at this time. It depends upon developments here in connection with measures which will take up our time for a good many days to come.

Mr. BRUCE. Has there been any discussion of the matter?

Mr. WADSWORTH. None whatever. I ask the Senator in turn if the bill is upon the calendar?

Mr. BRUCE. Yes; it is. The Senator from New York will recollect that last year it was made a part of the program of the Republican steering committee, and I trust it will be so this year.

Mr. WADSWORTH. May I say that the program, so called, of course, is always tentative and subject to the approval of the Senate, which has the authority and the power to overturn it at any moment by a majority vote or by a Senator moving to take up some other bill and his motion being agreed to. The program is made up of bills which are already upon the calendar.

Mr. BRUCE. I certainly hope that the French spoliation claims bill will be included in the steering committee's program,

because the President recommended the passage of that bill at the last session of Congress—

Mr. WADSWORTH. I know that.

Mr. BRUCE. And it was placed on the program. I do not see any reason why it should not be placed on the program at this session of Congress.

Mr. CURTIS. Mr. President, will the Senator from Maryland yield to me?

Mr. BRUCE. Yes.

Mr. CURTIS. The Senator from Maryland spoke to me in reference to this bill a few days ago, and I promised the Senator to take up the matter with the steering committee when it again met and that I would bring it to their attention. Since that time the steering committee has not met, and, therefore, the bill has not been brought to their attention.

Mr. BRUCE. The steering committee meets so secretly that it is hard for an ordinary Member of the Senate to keep up with its transactions.

Mr. ROBINSON of Arkansas. I hope there will be no objection to the request of the Senator from Pennsylvania [Mr. PEPPER.]

Mr. BRUCE. I withdraw my objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Pennsylvania to proceed to the consideration of House bill No. 2?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 2) to amend an act entitled "An act to provide for the consolidation of national banking associations," approved November 7, 1918; to amend section 5136 as amended, section 5137, section 5138 as amended, section 5142, section 5150, section 5155, section 5190, section 5200 as amended, section 5202 as amended, section 5208 as amended, section 5211 as amended, of the Revised Statutes of the United States; and to amend section 9, section 13, section 22, and section 24 of the Federal reserve act, and for other purposes, which had been reported from the Committee on Banking and Currency with amendments.

Mr. PEPPER obtained the floor.

Mr. McNARY. Mr. President, will the Senator from Pennsylvania yield to me for the purpose of presenting a conference report?

Mr. PEPPER. Certainly.

AGRICULTURAL DEPARTMENT APPROPRIATIONS

Mr. McNARY. At this time I desire to present a conference report on the agricultural appropriation bill and to ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceed to consider the report, which was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8264) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1927, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 28, 37, 41, and 44.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, 6, 7, 8, 9, 13, 14, 17, 20, 21, 23, 24, 25, 26, 27, 31, 32, 33, 34, 35, 36, 42, 43, 46, 48, 50, 58, 59, 60, 61, 62, and 63, and agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$4,653,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$3,678,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$750,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$6,940,653"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and

agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$9,477,763"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$12,300"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$495,094"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$368,280"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$3,333,055"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$3,908,055"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$500,220"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$588,480"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$507,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,016,230"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: On page 50 of the bill, in line 10, strike out the words "this insect" and insert in lieu thereof the words "these insects"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$2,625,168"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$775,150"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$2,421,607"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,746,397"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 54, 55, 56, 57, and 64.

CHAS. L. McNARY,
W. L. JONES,
LEE S. OVERMAN,
WM. J. HARRIS,

Managers on the part of the Senate.

WALTER W. MAGEE,
EDWARD H. WASON,
J. P. BUCHANAN,

Managers on the part of the House.

Mr. McNARY. Mr. President, just a word in explanation of the conference report. The Senate conferees were unable to persuade the House conferees that they should recede and allow a larger sum for the control and eradication of tuberculosis in cattle. It is true the House conferees at the original conference added \$550,000 to the item as it had passed the other House. However, it was considerably less money than was placed in the bill by amendment on the floor of the Senate.

It is fair to state that the House conferees were in sympathy with the great work of the eradication of tuberculosis in cattle. They felt, however, that inasmuch as the President did not submit the item to the Budget Bureau for a larger sum, under their rules they could not go further than they had done in the increase of the item. At the time of the meeting of the conferees of the two Houses the chairman of the House conferees gave to the chairman of the conferees on the part of the Senate a statement representing the views of the House, which I desire to have the Secretary read from the desk.

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The Chief Clerk read as follows:

IN RE APPROPRIATION FOR THE ERADICATION OF BOVINE TUBERCULOSIS

The position of the House conferees is just the same as in the conference. We refuse to agree to any larger appropriation in the absence of a supplemental estimate from the President as a basis therefor.

As the House conferees have agreed to an appropriation of \$550,000 in excess of the appropriation already approved by the House, and as the conferees have complete jurisdiction within the limitations of the action of the House and of the Senate, the House conferees feel that no obligation rests upon them to take the question of a larger appropriation back to the House.

It is apparent that a plethora of funds has been made immediately available and that there will be an abundance of funds to run at least until March 4, 1927, when it is to be presumed that a new bill will have been enacted into law.

At the December session conditions can be thoroughly gone into and properly met. The House is as determined as the Senate that no backward step shall be taken in this important work.

Mr. WILLIS. Mr. President, that declaration on the part of the conferees of another body sounds to me much like an ultimatum. I do not like the tone of a statement of that sort. Yet I do not know of anything that the conferees on the part of the Senate or that the Senate can do to obviate the unfortunate situation which arises therefrom.

When this question was before the Senate some time ago I expressed, perhaps at too great length, my views upon the subject. I think it is a mistaken policy, if we are to deal with this question at all in the interest of the public health, that we should deal with it piecemeal. If we are to eradicate tuberculosis by the application of the tuberculin test, it seems to me from every viewpoint, from the viewpoint of economy and the viewpoint of the protection of the health of the public, that work ought to go forward as rapidly as possible and not in this rather slipshod manner so as, in my judgment, ultimately to prevent effectiveness in the work. It was with that idea in view that many of us urged the enlarged appropriation which the Senate made. The Senate increased the appropriation by \$2,000,000, but now we are faced with a condition under which apparently we are able to receive an increase of only \$550,000.

I do not criticize the conferees on the part of the Senate. I know they were in sympathy with the views of the Senate and did everything they could to secure the enlarged appropriation. I content myself simply by expressing regret that the conferees on the part of the House could not have seen the necessity of this great work, and therefore could not have agreed, as we had hoped they might, to the enlarged appropriation made by the Senate.

Mr. COPELAND. Mr. President, will the Senator from Pennsylvania yield to me for a moment?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from New York?

Mr. PEPPER. I yield to the Senator from New York.

Mr. COPELAND. Mr. President, I am in the fullest sympathy with everything said by the Senator from Ohio, except that I think I see a ray of hope. If I rightly understood the reading of the statement made by the House conferees, they hold out to us a half promise that at the next session we may obtain more money. May I ask the chairman of the committee if we have not every reason to expect that the committee having charge of agricultural appropriations will at the next session go as far as they have gone this time in securing increased appropriations for this purpose?

Mr. McNARY. I can only express a hope in that direction.

Mr. COPELAND. I think the feeling of the Senate is a very positive one that we desire to have larger appropriations for the purpose of the eradication of bovine tuberculosis.

Mr. McNARY. Much depends upon the attitude of the Director of the Budget.

Mr. COPELAND. Of course I understand that, but I take it that we may expect from the committee all the effort and enthusiasm possible to accelerate action on the part of the Budget?

Mr. McNARY. I think the Senator may.

Mr. COPELAND. Of course, our conferees, Mr. President, have gone as far as they can go, and I think that we appreciate their efforts, but I do hope that at the next session we may have a larger sum appropriated for this very important work.

Mr. LENROOT. Mr. President—

The VICE PRESIDENT. The Senator from Pennsylvania has the floor. Does the Senator yield to the Senator from Wisconsin?

Mr. PEPPER. I yield to the Senator from Wisconsin.

Mr. LENROOT. I shall take but a moment. I very greatly regret the fact that the Senate conferees were unable to secure any change in the conference report from that which was previously submitted. As stated by the chairman of the conference committee and as appears from the statement which was read at the desk, the Senate conferees found themselves absolutely helpless. They were told that the amendment would not be taken back to the House for a vote; they were told that the House conferees would not agree to any increase over that which the last conference agreed to, and therefore there was nothing that the Senate conferees could do except to make the report which has been made.

There is this to be said in answer to the Senator from New York, that the House conferees did state expressly that in December, when the Congress shall again meet, if it shall appear that there is a shortage and a necessity for an additional appropriation they will be very glad to cooperate with us in securing an additional appropriation in a deficiency bill. The only reason why that would not have fully answered the purpose is that with this appropriation the department will make allotments on the 1st of July to the different States, depending upon the size of the appropriation now made, and in some of the States, especially States such as Wisconsin and Illinois, I very much fear the allotments will be exhausted before Congress shall again meet and be able to provide a deficiency appropriation. However, Mr. President, those States are in need and the money is immediately available; it is apparent that the Senate can do nothing further than has been done, and I see, therefore, nothing to do except to agree to the conference report.

Mr. GLASS. Mr. President—

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Virginia?

Mr. PEPPER. I yield to the Senator from Virginia.

Mr. GLASS. Mr. President, on this point of discussion I wish to say that at some future time when this problem may be dealt with I expect to review before the Senate the whole question of the so-called eradication of bovine tuberculosis, in order that the Senate may vote with more intelligent appreciation of what the whole thing means. This appropriation is not for the eradication of bovine tuberculosis; it is for the compensation of cattle breeders whose property is being destroyed; and, as I have said, at the proper time I intend to review before the Senate the whole problem, in order that Senators may vote with a more intelligent appreciation of what they are voting for than is possible at this time.

Mr. KING. Mr. President, may I ask the Senator from Virginia a question?

Mr. PEPPER. I yield to the Senator from Utah.

Mr. KING. Is it not a fact—and I put it in the interrogative form because of information which has come to me—that in some instances cattle have been destroyed without any rhyme or reason because of the incompetency of so-called experts of the Agricultural Department?

Mr. GLASS. Undoubtedly that is true.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

NATIONAL BANK BRANCHES

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2) to amend an act entitled "An act to provide for the consolidation of national banking associations," approved November 7, 1918; to amend section 5136 as amended, section 5137, section 5138 as amended, section 5142, section 5150, section 5155, section 5190, section 5200 as

amended, section 5202 as amended, section 5208 as amended, section 5211 as amended of the Revised Statutes of the United States, and to amend section 9, section 13, section 22, and section 24 of the Federal reserve act, and for other purposes.

Mr. PEPPER. Mr. President, I trust that Senators will not ask me further to yield. I am very anxious to present to the Senate some outline considerations respecting House bill 2, and to make such progress as we may in the consideration of that very important measure.

It will be remembered that a bill somewhat like the one now under consideration was before the Senate at the last session of the Congress. It had been passed by the House, had been reported out by the Senate Committee on Banking and Currency, was subjected to some consideration and the occasion of some discussion on the floor, but failed of final action when adjournment was had.

At this session bills substantially similar were introduced into the House and into the Senate. The House bill was passed, was sent to the Senate and referred to the Committee on Banking and Currency, where it received the tentative consideration of a subcommittee, was then considered by the whole committee, and was with unanimity reported out to the Senate with a variety of amendments to which I shall particularly address myself.

Mr. President, there are a great many provisions in the bill which I think give rise to little or no difference of opinion. There are, for example, provisions simplifying the process of consolidation between national banks, or between a State bank and a national bank. There are provisions respecting some of the internal mechanism for the running of the bank, such as the creation of the official position of chairman of the board. There are various provisions which will be found, if enacted, to contribute greatly to the convenience of national bank administration; but the provision around which differences of opinion cluster are the provisions which relate to the much-mooted subject of branch banking.

It will be remembered by the Senate that in a number of States we have a well-defined policy hostile to branch banking. In a number of States we have a policy favorable to branch banking. In others the position of the State is not so clearly defined; but, irrespective of what the State law may be with respect to the right of State institutions to establish their own branches, there is not at the present time any clean-cut provision in the national banking act authorizing a national bank to establish branches even in those States in which State banks are permitted to establish branches and maintain them under the law. The present measure undertakes to establish this formula for the determination of the right of a national bank to establish and maintain a branch.

In the first place, the requirement of the formula is that there must be a State law under which State banks are permitted to have the privilege in question. In the second place, there can be no establishment by national banks of branches outside the limits of the municipality in which the parent bank is situated. In the third place, the provision is made sufficiently flexible to enable a national bank in a State where there is not to-day enabling legislation in favor of State banks to take advantage of such enabling legislation in the future if it happens that the State in question hereafter changes its policy and permits its own institutions to establish branches.

The provision relating to a possible future change of policy on the part of the State is the one about which differences of opinion will be found to exist in the Senate and among bankers. I shall come to a more specific statement about it in a moment.

In order to make a consideration of the branch-banking problem as clear as possible, the Senate committee has undertaken to assemble in a single section all the provisions on branch banking, which in the House bill were scattered through a variety of sections. Senators who study the bill will find that we have carefully culled from all sections the provisions on the subject of branch banking with nothing more than what is equivalent to a cross reference on the subject to a single section; and in that single section we have collated and have attempted to set forth in an orderly way all the provisions which are recommended to the Senate on the subject of branch banking.

I do not think I can more clearly state the views, which I desire to press upon the Senate, than to read the provisions of the section to which I have referred. It is section 7 of the bill; it appears on page 13, and, if adopted, will become section 5155 of the Revised Statutes. The proposed section begins with this sentence:

The conditions upon which a national banking association may retain or establish and operate a branch or branches are the following:

Then come a series of lettered subdivisions, the first of which is designed to retain as they now exist branches maintained and operated by national banks within the limits of any State. In other words, it is not the purpose of the bill to disturb any condition that exists to-day. The language of the subsection is as follows:

A national banking association may maintain and operate such branch or branches as it may have in operation at the date of the approval of this act.

We found in the committee, Mr. President, that there was unanimity of view respecting the wisdom of taking existing conditions as they stand respecting branches, not upsetting any branch or requiring its discontinuance, but rather crystallizing the situation as it exists at the date of the approval of the act.

Mr. KING. Mr. President, will the Senator permit a question? I am sorry to interrupt him.

Mr. PEPPER. I shall be glad to yield to the Senator from Utah.

Mr. KING. The Senator doubtless has in mind a certain State, which I shall not name, in which a few institutions have a large number of branch banks. They have acquired them by methods which some people in the State strongly condemn; and some of the conservative and perhaps best bankers of the State disapprove of a condition which would permit a continuance of existing conditions with respect to those banks, and the retention of the large number of banks which they have acquired, or over which they have acquired control. This bill would not interfere at all with but would perpetuate that evil, if it be an evil, would it not? And I express no opinion as to whether or not it is an evil.

Mr. PEPPER. I understand the Senator's question; but let me remind the Senator that the situation to which he refers is one that relates to the State institutions of the State in question. There is no law which authorizes the national banks in the State to which the Senator refers, or in any other, to maintain branches. Those branches to which the Senator has referred are branches that are maintained by State institutions throughout the State in question.

Mr. KING. I was under the impression that at least one, if not two, of the banks which I have in mind were Federal banks.

Mr. SHORTRIDGE. Mr. President—

Mr. PEPPER. If the Senator is referring, as I take it he is, to the State of California—and my assumption on that subject is strengthened by the rising of the Senator from California [Mr. SHORTRIDGE]—I should reply that, to the best of my knowledge, while there may be one or two such branches, yet the state-wide system of branch banking is confined to the State institutions; and I will ask the Senator from California whether I am right or wrong?

Mr. SHORTRIDGE. Mr. President, manifestly the State could not pass any law affecting the national banking associations; but I must have misunderstood the Senator from Pennsylvania in his reply to the Senator from Utah. Subsection (a) of section 7 deals specifically with national banking associations.

Mr. PEPPER. Quite so.

Mr. SHORTRIDGE. I understood the Senator to make reply that there were branch banks maintained by national banking associations in California. I perhaps misunderstood the Senator.

Mr. PEPPER. I was attempting to convey to the Senator from Utah my own impression, which is that the state-wide branch banking to which he refers in the State of California is a system existing under the law of that State, and has to do with branches established and maintained by State banks. Subsection (a) of the section we now have before us deals exclusively with national banks.

Mr. SHORTRIDGE. Yes. Of course, Ohio has a similar system.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. COUZENS. Under the section to which the Senator has just referred would it be possible for national banking associations to establish branches throughout the State of California?

Mr. PEPPER. Mr. President, answering the Senator, I would say that under subsection (a) no authority is given to any institution to establish any branch anywhere. It merely provides that a national banking association may maintain and operate such branch or branches as it may have in operation at the date of the approval of this act.

Mr. COUZENS. Perhaps the Senator did not understand my question, or else I did not state it properly. I was wondering whether the bill provided in any section for the establish-

ment of state-wide national branch banks, such as exist in the case of State banks in the State of California.

Mr. PEPPER. No, Mr. President. With the Senator's indulgence I will defer a more specific answer to his question until I come to the section or subsection that deals with that particular subject. It will be found, then, that there is nothing in this bill which under any circumstances permits national banks to have state-wide branch-banking systems connected with them.

Mr. COUZENS. May I ask the Senator's indulgence further? The Senator says that under subsection (a) any existing branch banks may be perpetuated. Is that correct?

Mr. PEPPER. The exact language is:

A national banking association may maintain and operate such branch or branches as it may have in operation at the date of the approval of this act.

Mr. COUZENS. May I not suggest that that date be made retroactive to prevent the establishment of additional facilities of that kind while this bill is now pending? It occurs to me that if this bill shall not become effective for 30 days or so, national banking associations may establish the sort of banks or branches or paying windows that this section intends to prevent.

Mr. PEPPER. Mr. President, it seems to me that while, of course, the contingency suggested by the Senator is a possible one, it is not likely to occur to any such extent or degree as to give rise to difficulty or trouble. But if, at the time we come to consider amendments, the Senator proposes an amendment on that subject, I for one shall not be disposed to oppose it, although I can not speak for the committee.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. COPELAND. At the present time the Treasury Department would not permit a branch to be established outside of the city where the parent organization existed.

Mr. COUZENS. I am not speaking of branches outside of the city where the parent organization exists, but within, having in mind the establishment of such branches as were established in St. Paul and Minneapolis, which were established, as I understand it, without the consent of the Comptroller of the Currency.

Mr. PEPPER. Subsection (a) deals with the situation as it exists and does recognize the right of national banking associations to maintain the branches which they have, either at the date of the passage of the act as drawn, or, if amended as suggested by the Senator from Michigan, as of the date of its introduction, or of some other date.

Mr. EDGE. Mr. President—

The VICE PRESIDENT. Does the Senator yield to the Senator from New Jersey?

Mr. PEPPER. I yield.

Mr. EDGE. Speaking as a member of the subcommittee, may I not ask if that decision was not arrived at because of a conviction on the part of the subcommittee that in preparing this legislation for future control it was somewhat outside of our jurisdiction, in a way, to go back and interfere with existing conditions? If they exist, they exist because they have been permitted to exist, perhaps for different reasons in different sections. But we decided that for us to attempt to review all of those various reasons would be a little beyond the responsibility we had.

Mr. PEPPER. I will merely answer the Senator from New Jersey by pointing out that the difference between the bill as it stands and the suggestion that the Senator from Michigan has made is the difference between the date of the introduction of the measure and the date of its final passage.

Mr. GLASS. Mr. President—

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from Pennsylvania yield to the Senator from Virginia?

Mr. PEPPER. I yield.

Mr. GLASS. Is it not a fact that under a decision of the Supreme Court no national bank may now establish a branch in any State the laws of which prohibit branch banking?

Mr. PEPPER. That is true; but I think the Senator from Michigan has this thought in mind, that the definition of a branch contained in one of the sections of the bill is broad enough to include the so-called teller's window, or something of that sort, which would not be a branch bank within the meaning of the decision of the Supreme Court.

Mr. COUZENS. The Senator from Pennsylvania has correctly stated the idea I intended to express. In other words, by making that section of the act retroactive to a date in the past, I wanted to prevent anyone from opening up any more of those

tellers' windows, or whatever you call them, in anticipation of this bill becoming a law, and then having them validated.

Mr. PEPPER. Mr. President, if either as the measure stands or as it may be amended in the way last suggested, we regard subsection (a) as having to do with the conditions as they exist at a fixed time, the next question is that which arises when a consolidation takes place between a State bank and a national bank, or when a State bank is converted into a national bank at a future day, and the State bank thus consolidated or converted has taken advantage of the right given to it by the law of its State to establish and maintain branches. The question will then arise whether the process of consolidation or conversion carries into the consolidated organization the preexisting branches that were maintained, not by the national bank, but by the State bank which is a constituent of the organization.

That is dealt with in subsection (b), and the language of the subsection is this:

If a State bank is hereafter converted into or consolidated with a national banking association, the said association may retain and operate such branches, if any, as were being maintained and operated by said State bank at the date of the approval of this act.

In other words, I am suggesting, on behalf of the committee, that we should deal with existing branches of State banks in the same way that in subsection (a) we have dealt with the existing branches of national banks, namely, that those State branches should be permitted to be maintained and operated, if they are now existing under the local law, when a consolidation shall have taken place between the State bank which maintains and operates them and a national bank.

I call the attention of the Senate to the fact that this provision would validate State branches beyond the limits of a municipality, if those State branches exist beyond the limits of a municipality in conformity with State law. That is not on the theory that the Congress is authorizing national banks to establish upstate branches, but it is recognizing the right of a State bank with upstate branches to bring them into a consolidation with a national bank. We were all of opinion that the policy underlying this act, which was not to disturb conditions that exist, required us to propose such an arrangement as that which I have now outlined.

Mr. KING. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KING. Of course, if I understand the Senator, if branch banks are permitted in a State now, and a bank has a large number of branches, and subsequent to the passage of this act enters the Federal reserve system, it may not only bring into the system all existing branch banks, but, if there is no law in the State restricting that bank from acquiring further banks, it may bring them also into the system.

Mr. PEPPER. Mr. President, if I rightly understand the Senator's observation, he is correct; but I call attention to the fact that he is now dealing with a proposed amendment to the Federal reserve act, and is speaking of the effect of branch banking provisions upon membership in the Federal reserve system, which is a feature of this bill to which I shall presently address myself. Up to the moment we have been talking about amendments to the national banking act just as if the Federal reserve system did not exist.

Mr. COUZENS. Mr. President—

Mr. PEPPER. I yield.

Mr. COUZENS. The suggestion occurs to me in considering the provision of the section the Senator has just read that a national bank purchasing a State bank with a large number of established branches, and operating thereafter under the national law, would have a considerable advantage over some other national bank which might not thereafter be able to establish branch banks. I do not think of any way of correcting it, but it does occur to me that that possibility exists.

Mr. PEPPER. I think the Senator is undoubtedly right, and I think that further reflection will suggest to him a variety of ways in which inequalities will exist in spite of our efforts to eliminate them. There are situations which are inevitable, where advantage of a situation may be taken with resulting inequalities. But we have done our best by general rule to keep those cases from arising.

Mr. GLASS. Mr. President, that inequality exists now, under the present system.

Mr. PEPPER. It undoubtedly does. The most that can be said in criticism of the pending measure is that we have not changed the existing law in that regard.

Mr. EDGE. Mr. President, enlarging on that thought, as a matter of practical result, as I understand it, there are very few States permitting State banks to have branches outside of

the municipality of the parent bank. There are some. In those States, as has been said by the Senator from Virginia, they already have that privilege, and we can not stop it. That is a matter of their State policy. Therefore, in considering our national banks in competition or in inviting State banks to become a part of the national system, which we naturally want them to do, we can not dictate their State laws.

Mr. COUZENS. Mr. President, the Senator perhaps did not understand me correctly. I recognize the competition as between State banks, with their multitudinous branches, and the national banks without branches. That, I understand, can not be avoided as the law is now. But under this bill there is an attempt to change that, so far as permitting national banking associations to establish banks in the States where branch banks are permitted by the States concerned.

Under the section which the Senator from Pennsylvania has just read competition is created between national banks. I do not say that that is not desirable. I do not say that it perhaps will create an unfavorable condition. But I did want to bring to the attention of the Senate the fact that under that section it is possible for a national bank to buy up a State bank and have a great number of branch banks, perhaps to the detriment of some other national bank which has not bought up a State bank and thereby attained possession of a large number of branches.

Mr. McLEAN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. McLEAN. After a State bank gets into the national system they can create no more branch banks, except in the large cities; so that it is rather a limitation after they come in.

Mr. COUZENS. I understand it is limited to the municipality or the city wherein the parent company exists.

Mr. GLASS. Mr. President, may I again state to the Senator from Michigan that just the thing he cites may be done now under the national bank act.

Mr. COUZENS. I do not understand that a national bank now may establish branches.

Mr. GLASS. It may not establish branches, but it may purchase a State bank which has established branches, and retain those branches.

Mr. COUZENS. But only as a holding company and not as a direct branch of the parent company.

Mr. PEPPER. I think the Senator from Michigan is mistaken. Ever since 1865 it has been possible for a national bank to acquire by consolidation a State bank, and if that State bank had branches at the time of the consolidation, to retain them, and they become the out-and-out property of the resulting body.

Mr. COUZENS. Simply by stock holding. Is not that correct?

Mr. PEPPER. No, Mr. President. The process is out-and-out consolidation.

Mr. COUZENS. That is not my understanding. I know in my State they have bought up the stock of a State bank and held the stock and maintained a separate bank.

Mr. GEORGE. That is true; they become the outright branches of the national bank through the consolidation with the State bank, irrespective of the location of the branches.

Mr. PEPPER. That is correct. We are dealing now, not with the process of acquisition of stock ownership and resulting control, but we are dealing with the subject of out-and-out consolidation or conversion, and under the existing law the fact is—and I am sure the Senator from Michigan will find it to be so when he refreshes his recollection—that a national bank consolidating into itself a State bank with branches, may retain those branches with the same force and effect as if it had been authorized to establish them itself. Those branches may be branches existing anywhere under the law of the State in which the State institution is located.

Mr. GLASS. Whereas under the bill now pending, they may not exist anywhere hereafter except within the locality of the parent bank.

Mr. PEPPER. That is true with regard to branches hereafter established.

Mr. GLASS. That is what I said.

Mr. PEPPER. But if the banks exist as offshoots from a State bank, and they exist anywhere in the State, a consolidation may hereafter be effected with a national bank and those up-State branches can be maintained by the consolidated association.

Mr. President, if our first subsection dealt, as it did, with the presently existing branches of national banks, and if our second subsection dealt, as it did, with the consequences of the consolidation in the future or conversion in the future as between a national bank and a State institution having branches, the way is open for the consideration of the third possibility,

the third contingency, which is this: What may a national bank, which has no branches to-day and which is not proposing to consolidate with a State bank having branches, do to-morrow or after the passage of the bill in the way of establishing new branches? That is the subject that is dealt with in the third subsection:

A national banking association may, after the date of the approval of this act, establish and operate new branches within the limits of the city, town, or village in which said association is situated if such establishment and operation are at the time permitted to State banks by the law of the State in question.

In other words, the scheme of the bill is to authorize national banks to stand on a footing of equality of opportunity with State banks so far as concerns branches within the limits of the city, town, or village in which the parent institution is established, and to extend that equality of opportunity to the future as well as to the present, so as to cover the case in which a State which does not now permit its institutions to have branches may hereafter give such permission; and that in the case in which permission is hereafter given by a State to its own institutions to have branches, a national bank in that State may take advantage of the permission thus given so far as concerns the territory included within the limits of the city, town, or village in which the parent is situated.

Right here we come to the feature of the bill which is causing the greatest amount of discussion and the widest range of difference of opinion. In the House the following view prevailed: The House took the view that if the law of the State, as it stands at the date of the approval of this bill, permits State institutions to establish branches, then it would be proper to permit national banks to establish and maintain branches under the bill within the limits of the city, town, or village; but the House was of opinion that in the case of a State which does not, at the date of the passage of this bill, permit its own institutions to have branches, but which hereafter gives that permission by a change in its legislative policy, that national banks under the terms of this bill ought not to be permitted to avail themselves of that future change of policy in the State.

The effect of the so-called Hull amendment is that if, in the State of Pennsylvania, for example, which does not permit State institutions to have branches, a law were to be passed three years from now authorizing State institutions to have branches, the national banks in Pennsylvania could not take advantage of that change of policy by reason of the accidental circumstance that the change was inaugurated after the date of the passage of this bill instead of before it. It has seemed to the committee that to make any such iron-bound provision, crystallizing or freezing the situation as of the date of the passage of the bill, was an unreasonable restriction by Congress on the liberty and action of the State.

There are many minds on the subject of branch banking. I personally am strongly opposed to state-wide branch banking. Just as strongly I am in favor of branch banking within the limits of a municipality. But it seems clear to me that a national bank ought to be permitted to establish a branch within the limits of its own municipality if the State law permits the State institutions to do that thing, irrespective of the date of the enactment of the State law; that there is no logic or reason or sound philosophy in a provision which would give to a national bank, in a State which to-day authorizes State institutions to have branches, authority to establish and maintain a branch within the limits of its own municipality and which would deny a similar privilege to another national bank in the State across the river which indeed authorizes its own institutions to do that thing in question, but gives that authority a little after the date of the passage of this bill instead of a little before it.

The principle upon which we are working is that of giving equality of opportunity to National banks and State banks in the matter of branches within the limits of the municipal area in which the parent national bank is established. Why should we not carry that principle to its logical conclusion and make the determining fact the policy of the State at the time that the national bank wishes to establish a city branch instead of inquiring into the mere question of priority of dates when the State policy was inaugurated?

We have had a great many telegraphic and written protests from able and experienced bankers of the country protesting against the amendment proposed by the Senate committee and incorporated in the bill, which gives that elasticity in the particular I have specified. From the tenor of these communications I am led to believe that most of those who sent them have not clearly understood the effect of the amendments against which they protest. I have yet to find anyone who will

sit down calmly and face the situation as between Congress and a legislating State who will not admit that there is something entirely unreasonable in asking that a national bank, we will say, in the city of Philadelphia may not take advantage of the authority given by this bill to put itself on a footing of equality with State banks having branches in the city of Philadelphia merely because the State of Pennsylvania gives the State banks that authority after the date of the approval of this bill instead of before this bill is enacted into law.

Mr. McLEAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Connecticut?

Mr. PEPPER. I yield.

Mr. McLEAN. If the so-called Hull amendment were adopted would it not be probable, if not inevitable, that many of the national banks now in the system would be compelled to retire and take advantage of the State privileges, and is it not our purpose and should it not be our purpose to so sustain and maintain the Federal reserve system and the national banking system that we may invite State banks into the system and keep the national banks from retiring therefrom?

Mr. PEPPER. Undoubtedly, Mr. President. The question of the Senator from Connecticut draws attention to a policy that is vital. Indeed, the occasion for the legislation is the danger that an increasing number of national banks will withdraw from the system if they are denied a reasonable liberality of action in the matter, when they can get from well-considered State legislation the benefits which we are thinking of denying to them. It would be most unfortunate in the judgment of the committee if we were, by making an arbitrary and it seems to me an unreasonable restriction, to defeat the primary purpose of the legislation.

Mr. EDGE. Mr. President—

Mr. PEPPER. I yield to the Senator from New Jersey.

Mr. EDGE. I simply desire to supplement the Senator's suggestion. As I follow the protests, if we may call them protests, they are mostly predicated on a fear that if we are consistent—that is, if we do permit the same consideration in the future as was proposed by the House bill in the past—we might endanger the passage of the legislation. In other words, they frankly admit by inference that they do not oppose this consistency, but they desire the legislation so earnestly that if it should in any way endanger it they would prefer to have half a loaf than no loaf. I have not seen any objection except that it is better to take half a loaf than to have the legislation defeated.

Mr. GLASS. In other words, the contention has been that the Senate ought not to do the right thing for fear the House would not concur?

Mr. EDGE. Yes; and they would not get more than half the privilege they would like to have.

Mr. GLASS. I assume the Senator from Pennsylvania will cover the point I am now about to suggest. Not only will national banks located in States which do not now permit branch banking be perpetually denied the right to establish branches, but the State institutions in those States which do not now permit branch banking, but which may hereafter permit branch banking, will practically be denied the right to avail themselves of the privilege of their own State statute by being excluded from the Federal reserve system in case they determine to do that thing.

Mr. PEPPER. The Senator from Virginia is right in thinking that it is my intention to address myself to that phase of the subject which has to do with the ninth section of the bill dealing with the relation of the subject of branch banking to membership in the Federal reserve system. But at the present time I want to make as clear as I can the thought that we are dealing with amendments to the national banking act and that so far we have dealt with the branches of the national banks as they at present exist; second, with branches of State banks brought into the national banking system through consolidation or conversion; and, third, by future establishment of branches which, under the terms of the third subsection, can take place only where a State law permits and only within the limits of the municipality in which the parent is situated. The controversy over the Hull amendment relates only to the date of such permission.

Mr. OVERMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from North Carolina?

Mr. PEPPER. I yield.

Mr. OVERMAN. I understand that the Senator does not propose to legislate in regard to State banks, except when they go into the national banking system. Am I correct about that?

Mr. PEPPER. I take it that we can impose the terms for conversion into a national bank or consolidation with a na-

tional bank, or we may impose terms, if we think it wise to do so, upon membership of a State institution in the Federal reserve system, even if it retains its identity as a State institution. The three cases that I have put are those which, I think, exhaust the logical possibilities of the establishment of branches so far as amendments to the national banking act are concerned.

It now becomes important to consider the very unusual case of a national bank which to-day maintains a branch or more branches than one, such branches having been established at a time when the State in which the bank is situated permitted the establishment of branches but which State law has since been abrogated. We have the curious situation of a national bank having a branch which is valid to-day because it was valid when established, while no other national bank in the same area can establish a branch because in the interval the State has withdrawn its permission for the establishment of branches by institutions organized under its laws.

Mr. COUZENS. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. PEPPER. I yield.

Mr. COUZENS. Will the Senator from Pennsylvania say what made those banks valid at the time they were established, aside from the fact that branch banks were permitted in the particular State? Was there merely an arbitrary opening of branch banks, or was it done by the approval and consent of the Comptroller of the Currency?

Mr. PEPPER. Mr. President, it is a little hard for me to answer that question because, in the particular case which I have in mind affecting the banks in Minneapolis and St. Paul, a difference of opinion arose between counsel and bankers as to what the limits of the law were at the time those branches were established. I understand the branches were established in Minneapolis in the belief that they were legal and were not established in St. Paul because of the advice that they were not legal.

Mr. COUZENS. Mr. President, will the Senator yield further?

Mr. PEPPER. I yield.

Mr. COUZENS. I should like to ask at that point, did the Comptroller of the Currency take any action when these branches were opened in Minneapolis?

Mr. PEPPER. I am informed, Mr. President, that the branches to which reference has been made were opened under the advice of counsel by the banks themselves without any action on the part of the Comptroller of the Currency.

Mr. SHIPSTEAD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Minnesota?

Mr. PEPPER. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. The Senator from Pennsylvania in opening his remarks on this particular part of the subject said something about national banks having branches that had been established at a time when branch banks were permitted to operate within a State, but that the laws of the State had since been so changed that they do not now permit the establishment of branch banks.

Mr. PEPPER. If I may interrupt the Senator just for one moment. The Senator has called attention to a confusion in my remarks. I am very much obliged to the Senator for doing so. The case of the Minnesota banks is not one that has to do with a change of legislative policy. The case was accurately stated in the interchange which just took place between the Senator from Michigan [Mr. Couzens] and myself. There is another State which I had in mind when I began my statement where the statute authorized State banking institutions to establish branches, and advantage of that was taken by national banks to establish similar branches, but that State has repealed that statute and has left a national bank with a branch that was established at the time when the State policy was favorable to branches, and that branch bank continues to exist, although the State policy has been changed.

Mr. SHIPSTEAD. I desire to ask the Senator just one more question in order to clear up the situation. I believe that the Comptroller of the Currency has ruled on the legality from the standpoint of the present law of branches operating in Minneapolis, for, if I am correctly informed, he has requested them to comply with the law by reorganizing either as National or State banks. Can the Senator inform me whether or not I am correct as to that?

Mr. PEPPER. My information is that there has been something in the nature of negotiation or conversation between the banks in question and the office of the Comptroller of the Currency, but the thing has not reached a head. There has been no formal ruling by the Comptroller of the Currency.

Mr. SHIPSTEAD. The Senator, then, does not hold that these branches are operating legally because of the fact that the laws of the State did not specifically prohibit branch banks at the time those branches were established?

Mr. PEPPER. No, Mr. President, I wanted to be sufficiently balanced in my statement to make it possible for the Senator from Minnesota to be all right in St. Paul and also in Minneapolis. His position is perfect in either place so far as any statement of mine is concerned. [Laughter.] No, I have not undertaken to pass on the question of the legality of what was done or of the wisdom of what was left undone. I merely call attention to the fact that at a certain time in history national banks in Minneapolis established branches no doubt in the good-faith belief that they were doing something legal, although they had not the sanction of the Comptroller of the Currency. At the same time it was decided by the banks in St. Paul that they could not legally do that thing. Therefore we have a situation to-day which calls for some kind of treatment. We must do one of the following things: We must either let the law be so framed that the banks in Minneapolis can keep the branches which they have, but that no other national banks in Minneapolis can enjoy the same privilege even in that city, leaving the banks in St. Paul without branches at all, or we must cut off by a surgical operation the branches of the Minneapolis banks that now exist and force equality between the Twin Cities in that regard, or we must let the present banks that have branches in Minneapolis, the other Minneapolis national banks that want to acquire them, establish branches in the city and confer a similar authority upon the banks in St. Paul. One of those three things, it seems to me, we will have to do.

Mr. SHIPSTEAD. Mr. President, does the Senator have in mind this plan as a remedy, namely, that the banks of Minneapolis that are now operating branches contrary to law may have the alternative of reorganizing those branches according to law by putting capital in them and operating them as independent units?

Mr. PEPPER. Mr. President, I was thinking only in terms of the regulation of branch banks. I was not thinking of possible business or intercorporate arrangements by which the same object could be accomplished in another way. It is true, of course, that a national bank or any other bank maintaining branches may cause those colonies to become independent to some extent of the mother country, while at the same time retaining a protecting control through stock ownership or otherwise, but in that event we will be dealing with chain banking rather than with branch banking.

Mr. SHIPSTEAD. Under this proposed law what remedy does the Senator think is afforded for that situation? What will be the effect of this bill upon it?

Mr. PEPPER. If this bill should become a law, and if we are to think exclusively in terms of the "Twin City" situation, it would follow that the situation in St. Paul would remain unchanged and no branches could be established there, but that in Minneapolis national banks not having branches to-day could establish them to the number that such branches are maintained by Minneapolis banks that now operate branches.

Mr. EDGE. That is covered by subsection (d), which the Senator has not yet reached.

Mr. PEPPER. That is covered by subsection (d), which I had reached in the order of my presentation.

Mr. SHIPSTEAD. Is that the sentiment of the Committee on Banking and Currency of the Senate?

Mr. PEPPER. Mr. President, I think I can say that that does not represent the matured judgment of the committee in its application to this particular case. The case which the committee had in mind when this amendment was framed was the case to which I referred awhile ago, where a law under which existing branches had been established had been abrogated, and the committee thought in that kind of a case the branches ought to be permitted to the banks that had not heretofore established them, so as to give equality of competitive conditions between the banks in the same city. I think I am right in saying that the particular case of St. Paul and Minneapolis was brought pointedly to our attention after this particular amendment was framed. I think that when we reach the amendment stage of the discussion of this bill it will be entirely in order to consider some modification of what is here proposed; indeed, personally I think that there ought to be some modification.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Wisconsin.

Mr. LENROOT. I might say that the city of Milwaukee is in the same position as is the city of Minneapolis. If the amendment as proposed should be adopted, it will permit the estab-

lishment of 16 additional branches in the city of Milwaukee. There is very great protest against that from my city.

Mr. PEPPER. I realize, Mr. President, the seriousness of the situation to which the Senator from Wisconsin calls attention. I repeat what I said a moment ago, that I think when we reach the amendment stage it will not only be desirable but highly desirable that this particular subsection be modified in such way as the Senate may approve.

Mr. LENROOT. Will the Senator yield once more?

Mr. PEPPER. I am glad to yield to the Senator from Wisconsin.

Mr. LENROOT. Did not the Missouri case settle the question of the legality of branch banks in all the States where the States have prohibitory laws against them?

Mr. PEPPER. I am not able from memory to answer that question. I will avail myself of the presence of the Deputy Comptroller of the Currency to make an inquiry of him on that subject. [A pause.] I am informed, Mr. President, that the decision in question fixed the status of branches established de novo, but did not deal with the legality or illegality of preexisting branches, branches already established.

Mr. LENROOT. Yes; but as I recollect the decision, the same thing was involved; that is, if they were contrary to State law when established there was no authority under the Federal law to establish such branches and the State would have the right to bring an action. In the particular case the branch was established de novo, but the same principle would apply, I think, in other cases.

Mr. PEPPER. I believe that is true. I was merely calling attention to the fact that the case in point was one affecting the establishment of a new branch.

Mr. KENDRICK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Wyoming?

Mr. PEPPER. I yield.

Mr. KENDRICK. I was not privileged to hear all the Senator's statement, otherwise the question which I am about to ask might not be necessary. However, as I understand the provisions of the bill, a national bank is not permitted to establish a branch bank outside of the municipality in which the parent institution is located?

Mr. PEPPER. That is true, Mr. President, subject to one modification to which I shall presently call attention; but, speaking generally, no authority is given by this bill to establish a branch of a national bank save within the limits of the municipal community in which the parent is situated.

Mr. KENDRICK. Would a national bank be permitted under this bill to purchase and operate banks already established in other parts of the State as branch institutions?

Mr. PEPPER. Mr. President, this bill makes no change in the existing law on that subject. If the bank at present has the right to acquire the stock of a distant bank and to operate that bank through stock ownership, this bill does not affect its right in that particular. This bill deals only with what are recognized as branches.

Mr. KENDRICK. Under that situation would not the original limitation be entirely useless? Would it not be quite consistent and possible for a national bank that so desired to buy up and operate as many banks already established as it desired?

Mr. PEPPER. Mr. President, we have not undertaken in this measure to change the existing law in regard to the holding by one corporation of stock in other corporations. We are dealing only with the branch-banking problem. Those, as I think the Senator recognizes, are entirely distinct subjects. The disadvantage of branch banking, from the point of view of those who oppose it, is that you are creating a system of absentee banking by which the corporate officers at a given metropolitan center will determine the transactions and policies of distant branches, which are merely scattered offices of the principal institution. The other problem contemplates the maintenance of separate and distinct corporate organizations wherever they happen to be located, and the only nexus or tie to the principal institution is that of voting control through stock ownership. That thing we leave as it stands under the law. We are not attempting to change it. If that is an evil, it must be dealt with by a different scheme of legislation.

Mr. KENDRICK. Mr. President, I believe that that feature of the situation to-day is one that is giving the bankers of the West more apprehension in connection with this bill than any other provision or lack of provision of the bill.

Mr. PEPPER. Mr. President, I agree with the Senator that the situation to which he calls attention is a most serious one. I think the whole subject of chain banking needs to be care-

fully studied, and that possibly there ought to be legislation with respect to it; but I submit that we have an adequate problem for consideration when we deal with branch banking as such, and that perhaps it is just as well not to complicate a reform in one field by simultaneous consideration of a very difficult problem in a slightly different field.

Mr. FESS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Ohio.

Mr. FESS. Was the committee able to clear up our Cleveland situation?

Mr. PEPPER. I am coming to that, Mr. President. That is the subject which I had in mind when, in answer to the first question of the Senator from Wyoming, I said that speaking generally there was a limitation of the right of establishing branches to the boundaries of the municipality, but that there was a specific modification of that in a subsequent clause of the bill. I am coming to that presently.

Mr. LENROOT. Mr. President—

Mr. PEPPER. I yield to the Senator from Wisconsin.

Mr. LENROOT. My question is upon the same point; but, with reference to the query of the Senator from Wyoming and the reply of the Senator from Pennsylvania that this measure dealt only with branch banking, I should like to ask him with regard to the provision about interlocking directorates. It seems to be quite a substantial modification of existing law and does give the opportunity for control of separate banks, wholly irrespective of branch banks.

Mr. PEPPER. Yes; it does, Mr. President, and that is a great and serious question which in our orderly progress we will come to a little later in the bill. If the Senator will permit me, I will postpone further comment upon that until we reach it.

Mr. LENROOT. Very well.

Mr. PEPPER. I shall not weary the Senate by discussing at any length the next subsection, which merely fixes the limits of population in accordance with which the Comptroller of the Currency may determine whether or not a branch is to be permitted under the terms of the act. Instead of having an unrestricted right to establish branches within the limits of a city, regard must be had to the population of the city, and a relation is fixed between the size of the population and the number of branches.

We come, then, to the case that the Senator from Ohio has in mind, and it is a very difficult case to deal with.

Suppose you have a metropolitan area, if I may use that term for want of a better one, which is somewhat larger than the technical corporate boundaries of the city in which the parent bank is situated. Suppose that as an economic and social matter the boundary is nonexistent; that it is only a political boundary; that for business purposes the city is much larger than its limits. Shall we be rigid and permit the establishment of branches only within the political limits as defined by law or shall we allow the establishment of branches within that metropolitan area which in fact exists?

Mr. FESS. If the Senator will permit an interruption—

Mr. PEPPER. I shall be glad to yield.

Mr. FESS. The population of the city of Cleveland proper is about 700,000; and then Lakewood, which is a city of 47,000, is virtually a part of the city of Cleveland. You can not tell where one leaves off and the other begins; and the same thing is true of East Cleveland, a city of about 27,000, and of Cleveland Heights. They have been much concerned about whether under the circumstances a branch could be located in any one of these divisions of the city.

Mr. PEPPER. Mr. President, it is exactly as the Senator from Ohio has said; but let me call his attention and the attention of the Senate to the fact that it is no easy matter to relieve such a situation as he has in mind, because in some other localities that I could mention there is the greatest feeling of apprehension on the part of the suburban institutions lest the metropolitan banks should invade their suburban area and interfere with their business and make them all in the end subject to metropolitan control. So it has seemed to the committee that some such provision as that which we recommend is worthy of the consideration of the Senate as a solution of that difficult problem.

We provide in the next subsection as follows—

Mr. SHIPSTEAD. On what page?

Mr. PEPPER. On page 14, subsection (f) of section 7:

In cases in which, under the provisions of this section, a national banking association is authorized to establish a branch or branches within the limits of a city, town, or village, the Comptroller of the Currency shall have the discretionary power to authorize the establishment and operation of such branch or branches beyond the boundaries of said city, town, or village as strictly defined by law; but only

within the same metropolitan area as that in which the parent bank is situated: *Provided, however,* That he shall in no case authorize such establishment and operation except within the territory of a city, town, or village the corporate limits of which at some point coincide with the corporate limits of the city or town in which the parent bank is situated, when in his discretion he shall determine, after public hearing, that the banking needs of the inhabitants of said contiguous and urban territory require the establishment of such branch or branches; but no branch shall be established under the authority of this section in any part of a State to which right of State banks, under the State law, to establish branches does not extend.

Mr. COUZENS. Mr. President—

Mr. PEPPER. If I may continue just a moment, Mr. President, in other words, the limitation to the boundaries of the city stands as being a limitation to the political boundaries unless the action of the Comptroller of the Currency enlarges the area; and there are definite limitations on his authority to enlarge it. First, he can include only urban territory which is actually contiguous, and that does not include country-wide branch banking. It has to be of a town or village or city which is contiguous, and it has to be only when he has found, after public hearing, that the banking needs of the contiguous territory will be well served by the branches; and, finally, there can be no such establishment unless the State laws permit a similar thing to be done by State banks.

Mr. FESS. Mr. President, will the Senator yield for a further question?

Mr. PEPPER. I will yield to the Senator from Ohio in one moment. I had previously agreed to yield to the Senator from Michigan.

Mr. COUZENS. Mr. President, I think the Senator modified his statement in his last remark. Do I understand that the provision the Senator has just read is not applicable unless the State allows the same thing to be done?

Mr. PEPPER. Yes, sir. The language is this, Mr. President—

but no branch shall be established under the authority of this section in any part of a State to which right of State banks, under the State law, to establish branches does not extend.

Mr. COUZENS. May I ask the Senator what was the purpose of putting that exception in the bill?

Mr. PEPPER. It is not exactly an exception, Mr. President; it is a limitation.

Mr. COUZENS. Well, it is an exception.

Mr. PEPPER. The thought was that in some States the right to establish branches is limited to the city in which the parent exists. The committee thought that a national bank ought not to have a greater branch-banking privilege in that city than the State bank; and if the State law stops with the limits of the municipality as strictly defined, then the Comptroller of the Currency has no right to allow a national bank to put a branch into the urban territory beyond.

Mr. COUZENS. That is perfectly plain in the bill, is it? It is understood?

Mr. PEPPER. We have tried to make it plain. I do not think we have any pride of opinion about our phraseology.

I now yield to the Senator from Ohio.

Mr. FESS. Mr. President, the Senator's answer to a concrete question will give me what I want. Under the bill could the parent bank in the city of Cleveland establish a branch bank in Lakewood, provided the Comptroller of the Currency would permit it after a public hearing?

Mr. PEPPER. Mr. President, my answer is "yes." I give that answer upon the assumption, which I think is well grounded, that under the State law a State bank in Cleveland could establish a branch within that zone.

Mr. FESS. That is the assumption upon which I am going.

Mr. PEPPER. Upon that assumption, my answer to the Senator's question is that a national bank in Cleveland could establish in the territory that he has specified a branch, provided the Comptroller of the Currency after a public hearing finds that such a thing is necessary to give banking facilities to that community.

Mr. FESS. And the parent bank could establish a branch bank within the limits of the same city, not in urban territory, but within the limits, under the terms of the bill, without the approval of the Comptroller of the Currency. That is the distinction, is it not?

Mr. PEPPER. Yes; that is the distinction, saving this, that within the limits of the city proper, as strictly defined by law, where the population exceeds 100,000, the number of branches that can be established is subject to the discretionary control of the Comptroller of the Currency.

Mr. FESS. If the Senator will permit, I think that is the solution of a very complicated problem that has been the source

of a tremendous amount of opposition in Ohio to the legislation. It appears to me that the bill has removed that objection, so that there is a possibility of establishing a branch, provided the authority, after public hearing, should be convinced that it is justified.

Mr. COPELAND. Is there not another proviso, that that urban territory must be, in its corporate boundary, contiguous to the city where the parent bank is?

Mr. FESS. Yes; that is the case I mentioned; and we have another one in Cincinnati, where the town of Norwood is entirely surrounded by the city limits of Cincinnati, and yet it is a separate municipality.

Mr. PEPPER. There is one correction I wish to make in a statement I made to the Senator from Ohio a moment ago. I referred to the discretionary right of the comptroller to determine the number of branches with reference to population in cities of over 100,000. I should also have called attention to subsection (g), which does give the Comptroller of the Currency a pretty wide discretion over the whole question of branch banking, even within the limits of cities, because it is here provided:

No branch of any national banking association shall be established or moved from one location to another without first obtaining the consent and approval of the Comptroller of the Currency.

Mr. COPELAND. Mr. President, certainly that is a very wise provision, as I see it. Somebody ought to pass upon the propriety of establishing a branch, and the proper official to do it is the Comptroller of the Currency.

Mr. GLASS. As a matter of fact, the comptroller has complete discretion in the matter of establishing a national bank.

Mr. COPELAND. And he should have also as regards the branches of that bank.

STORAGE OF WATERS OF THE PECOS RIVER

Mr. SHEPPARD. Mr. President, I would like to submit a request for unanimous consent, and if it leads to discussion, I shall withdraw it. I ask unanimous consent for the consideration of House bill 3862, to provide for the storage of the waters of the Pecos River. It authorizes the Secretary of the Interior to construct an irrigation project on the Pecos River.

Mr. CURTIS. I do not like to object, but I told several Senators that there would be no business transacted this afternoon except the consideration of the banking bill, and an executive session. I would like to have this bill go over until Senators now absent can be here, because some of them might object to it.

Mr. WILLIS. Mr. President, if the Senator will yield to me, I was about to suggest that we might have some understanding as to when there would be a calendar day. Probably that would help out the Senator from Texas.

Mr. CURTIS. If possible, I want to have a consideration of the calendar day after to-morrow. I want the Senate to take a recess to-night, and to get through with the debt settlement bills to-morrow; then to take an adjournment to-morrow, so that we may have a morning hour and the consideration of the calendar on Thursday.

Mr. WILLIS. Would not that arrangement satisfy the Senator from Texas?

Mr. CURTIS. Mr. President, I withdraw my objection to the request of the Senator from Texas.

The PRESIDING OFFICER (Mr. LENROOT in the chair). The Senator from Texas asks for the immediate consideration of House bill 3862, to provide for the storage of the waters of the Pecos River. Is there objection?

Mr. JONES of Washington. The Senator from New Mexico [Mr. BRATTON] asked me to have the bill go over, if we should reach it on the calendar.

Mr. SHEPPARD. Does the Senator object?

Mr. JONES of Washington. I have to object on behalf of the Senator from New Mexico. He desired that the bill should go over. I have no objection myself.

Mr. SHEPPARD. Unanimous consent had been given for the consideration of this bill.

Mr. CURTIS. I withdraw my consent, because I assured two or three Senators that there would be nothing done this afternoon except the consideration of the banking bill and an executive session.

AGRICULTURAL RELIEF LEGISLATION

Mr. SHIPSTEAD. Mr. President, the morning papers state that there has been an agreement made for the adjournment of Congress on the 15th day of May. I am wondering if the steering committee has made any arrangement for a time when the agricultural bills may be taken up for consideration?

Mr. CURTIS. Mr. President, no agreement of any kind or character relating to adjournment has been made, and no one

was authorized to make any such statement. I stated to the Senate the other day that the agricultural bill had not been reported and was not on the calendar at the last meeting of the steering committee. I am not a member of that committee, but I happened to attend the last meeting. I have the assurance of the chairman of the committee that the agricultural bill will be taken up for consideration at the next meeting of the steering committee, which we hope will be this week.

HOUSE BILL REFERRED

The bill (H. R. 5823) to amend the Code of Law for the District of Columbia in relation to the qualifications of jurors was read twice by its title and referred to the Committee on the District of Columbia.

MUSCLE SHOALS

Mr. HEFLIN submitted an amendment intended to be proposed by him to the bill (S. 4106) to authorize and direct the Secretary of War to execute a lease with the Muscle Shoals Fertilizer Co. and the Muscle Shoals Power Distributing Co., and for other purposes, which was ordered to lie on the table and to be printed.

CIVIL SERVICE RETIREMENT

Mr. STANFIELD. I ask unanimous consent to have printed in the RECORD at this point a memorandum from the Director of the Bureau of the Budget on proposed changes in the civil service retirement annuity bill now pending.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

BUREAU OF THE BUDGET,
Washington, April 23, 1926.

Memorandum for the President

Bill H. R. 7 and S. 786, both of which propose amendments to the act for retirement of employees in the classified civil service, provide certain changes from existing law with respect to the ages of retirement, increase the maximum annuity to \$1,200 per annum, provide for a deduction of 4 per cent from the employees salary, and provide for the computation of the annuity with a divisor of 40. Neither of the bills contains specific authority for the submission of estimates for financing the fund.

I recommend that you give favorable consideration to a bill which will—

(a) Make no change in the retirement ages now prescribed by law, namely, 70, 65, and 62, with an extension period of 4 years for each class.

(b) Limit the maximum annuity to \$1,000.

(c) Provide for a deduction of 3½ per cent from employees salary.

(d) Provide for the computation of the annuity with a divisor of 48.

(e) Provide authority for submission of estimates to finance the fund by amending existing law so as to read:

"The Secretary of the Interior shall submit annually to the Bureau of the Budget estimates of the appropriations necessary to finance the civil-service retirement and disability fund and continue this act in full force and effect."

This amendment would make unnecessary any prescription in the law definitely defining how the fund is to be amortized, and would leave the matter of amortization for recommendation by the President to Congress in the Budget.

The Board of Actuaries has estimated \$17,815,930 as the annual cost to the Government of the existing law, upon the basis of amortizing accrual liabilities over a period of 30 years. The information which I have would indicate that, upon the same basis of amortization, the annual cost of the plan above recommended will not exceed that figure.

The above recommendation deals with the basic features of the retirement proposals which relate to the cost of retirement. It does not consider other less important provisions of either H. R. 7 or S. 786 proposing changes in existing law that relate chiefly to administrative features.

H. M. LORD,

Director of the Bureau of the Budget.

PACIFIC BRANCH, NATIONAL HOME FOR DISABLED VOLUNTEER SOLDIERS

Mr. WADSWORTH. From the Committee on Military Affairs I report back with an amendment to the bill (S. 3921) authorizing and empowering the Board of Managers of the National Home for Disabled Volunteer Soldiers to sell and grant approximately 160 acres of land owned by it at the Pacific Branch of said the National Home for Disabled Volunteer Soldiers; to receive the proceeds from said sale and disburse the same for the erection of additional fireproof barracks and other improvements upon the site of said Pacific Branch of the National Home for Disabled Volunteer Soldiers, and I ask unanimous consent for its present consideration.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendment of the Committee on Military Affairs was, in section 1, page 1, line 5, after the word "grant," to insert "to the county of Los Angeles, State of California," so as to make the bill read:

Be it enacted, etc., That the Board of Managers of the National Home for Disabled Volunteer Soldiers hereby are authorized and empowered to sell and grant to the county of Los Angeles, State of California, for a sum not less than \$1,000,000 cash, the following real property owned by said the National Home for Disabled Volunteer Soldiers: Being a tract of land lying and being situated in the county of Los Angeles, State of California, and being all the real property owned by said the National Home for Disabled Volunteer Soldiers lying east of Sepulveda Boulevard and south of the Soldiers' Cemetery, in said county and State, and comprising approximately 160 acres of land, reserving the use of the wells and pipe lines now established on said 160 acres and used by the Pacific Branch of the National Home for Disabled Volunteer Soldiers in the operation of its plant.

SEC. 2. The Board of Managers of the National Home for Disabled Volunteer Soldiers hereby are authorized and empowered to receive the proceeds of said sale and to disburse the same for the erection of additional fireproof barracks and other improvements on and at the Pacific Branch of the National Home for Disabled Volunteer Soldiers, located at Sawtelle, city of Los Angeles, county of Los Angeles, State of California.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HOME LOAN BANKS

MR. PEPPER. Mr. President, I hold in my hand a copy of a very excellent radio speech made in New York recently by the Senator from Oregon [MR. STANFIELD] on the subject of home-loan banks. I am sure that it will be interesting to Senators, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, Senator STANFIELD's radio address was ordered to be printed in the RECORD, as follows:

To my unseen friends it is my privilege to-night, through the courtesy of station WMCA, to broadcast a message concerning the greatest of all institutions in the history of the world, the home.

My message, however, deals with the home as an American institution, its relation to our Government, and the relation of our Government to the home.

The constantly decreasing ranks of home owners in our great Republic in proportion to the constantly increasing population and national wealth is indeed cause for concern. The fact that but a small percentage of our American families to-day own the houses they occupy inspired me to introduce in the United States Senate a bill known as the national home loan bill, providing the machinery for the creation and operation of national home loan banks.

To-day the United States, the richest Nation in the world, possessed of a wealth in gold and resources in excess of that of any other government in the history of nations, is confronted by a real problem, and actually approaching a crisis. A large majority of our salaried or wage-earning people are mere tenants, and only a small per cent own the houses in which they reside.

To meet the growing demands of commerce and industry and of our financial institutions Congress evolved the Federal reserve system, and thereby provided a more liberal and practical system of credits and exchange. The Federal reserve bank notes, issued on the basis of physical value, serve every purpose that gold, silver, gold or silver certificates, United States and national bank notes, or any other kind of national currency services. The Federal Reserve Board is not limited in the issuance of reserve bank notes, and it may supply all the funds required by commerce and industry at a low rate of interest. The business judgment of the Federal Reserve Board is the only governing factor in the matter of credit extension or the issuance of reserve bank notes.

Our Government next came to the rescue of agriculture by the creation of a Federal farm loan bank system. The farmer has been able, through this system, to refund his land loans and refinance on more favorable terms and at lower rates of interest, while the Federal land banks are able to secure all the necessary funds by selling interest-bearing bonds secured by the hypothecation of farm mortgages. This system as first established was broadened and extended by providing for intermediate credit banks. Thus has agriculture been relieved in its financial requirements, and provided with a channel through which it can secure long-time loans and intermediate-time loans, with lower interest charges upon both real estate and chattels.

In the few years that have elapsed since the creation of the Federal land bank and the joint stock land bank, these institutions have loaned throughout the United States on agricultural lands approximately

\$2,000,000,000. These loans have been a boon to the individual borrower and to national business alike.

The creation of national home loan banks, under the provisions of the proposed bill, would provide the machinery for the financing of residential property investment along much the same general line as that provided for farm property under the provisions of the land-bank system, and thereby bring the possibility of home ownership more nearly to the door of every city dweller in the land. It would eliminate from home financing all unjust and excessive charges, and abolish the system of carrying interest upon the entire principal to the date of the last payment, as now practiced by some loan associations. By the low-interest rate provided, it would furnish an incentive and create in the heart of every working man and woman the ambition to own the house in which they dwell. It would provide the easiest possible terms upon which a home could be purchased consistent with sound business.

The enactment of a law providing for the creation and supervision of banks to make loans on improved residence property would meet a necessity as great as that which brought about the creation of the Federal reserve system and the land and intermediate credit banks. It would be the first recognition by the Congress of the United States of the man in town—the man who works in the factory, the shop, the store, or the bank—the man who absorbs transportation and distribution costs; the man who pays and pays and pays, and whose case is generally dismissed with the admission that he is the "ultimate consumer."

The proposed bill would create in the Treasury Department a national home loan board composed of the Secretary of the Treasury and four commissioners to be appointed by the President of the United States, by and with the advice and consent of the Senate. This board would be vested with power to organize and charter national home loan banks and to exercise general supervisory and regulatory powers thereover. These banks may be organized with not less than 10 natural persons, and with a capital, subscribed and paid in, of not less than the capital required of national banks organized under the national banking act as amended. They may make loans upon improved residential real estate, issue and sell bonds and real-estate mortgages. They will be subject to the same supervision, regulation, and inspection as is exercised by the Government over the commercial national banks and the Federal farm loan banks. Loans would be authorized when secured by mortgages that are first liens on residential real estate occupied or to be occupied by the borrower. These loans may be made for an amount not in excess of 60 per cent of the value of the land and the permanent, insured improvements, but shall in no case exceed \$10,000. It is the purpose and intent of this provision to care for those who need such benefits—the man who requires from \$500 up to \$10,000.

Interest rates are regulated by the national board, and will be as low as practicable, but in no case may the interest charge be more than 2 per cent above the rate paid upon the last bonds issued and sold by the bank. Every mortgage shall contain an agreement providing for the repayment of the loan within a definite period not exceeding 10 years or on an amortization plan by means of a fixed number of monthly installments of sufficient amount to extinguish the loan (principal and interest) within a period of not less than 5 nor more than 15 years. Banks would be chartered by the national home loan board throughout the country in the various States. The number and geographical location of these institutions would be governed by business demand.

The pride of ownership is man's greatest incentive, and it brings out his best qualities. This is in evidence from the cradle to the grave. The baby cries for his rattle; the boy fights for his kiddie car or bicycle; and the girl clings to her doll, and, step by step, this process unfolds until every man and woman feels the great desire for a home—a home and all it means—a home to cherish and to defend.

When the wholesome playday of youth is passed, the thought of self and future, the thought of occupation and position in life, and the thought of home and family possess the soul and mind of every worth-while young man and woman in the land.

Home ownership begets responsibility, and in the home which is presided over by a mother who realizes her duty and cheerfully accepts her responsibility, the children will likewise realize and accept their duties, responsibilities, and obligations. In such an environment, self-respect and proper regard for others and for their rights and welfare becomes a part of the nature and character of the children of that household. Home and mother are the molds which shape the destiny of the child.

Measured in mere dollars, "renting" may sometimes be cheaper than "owning"; but measured by the essentials of home, character, and good citizenship, renting can not be compared with the ownership of a home. Even though the purchaser of a home may have made but the first and a very small payment, the whole scene has changed; the streets seem wider, the sunshine brighter, the grass greener, and the house warmer. The interest of the entire family centers in the home. The ownership of the occupant is apparent from the appearance of the lawn and shrubs.

Better men, better women, better children, and better citizenship are the fruitage of better homes and home ownership. Therefore, making the way easier for our people to secure and pay for homes of their own is one of the biggest things our Government can do. The men and women who bow beneath the burdens of the world are entitled to the best opportunity to secure a home that this Government can provide. It is not paternalism—it is justice.

A system of sound financial relief can be organized under the supervision of the Government that will deliver these people from unnecessary burden—a system that will furnish the opportunity and the inspiration to every man and woman to own his or her home by providing home loans at a very low rate of interest and small installment payments. It would be self-sustaining and not a burden upon our Government.

I believe that the creation of national home-loan banks, as provided in the proposed bill, would promote home ownership and would gradually reverse the existing ratio as between home owners and tenants. I believe that such a system can be established by our Government.

It is a recognized truth that government is the exact counterpart of its people, and it is equally true that people are the exact counterpart of their homes. Better homes will make better people, and better people will make for better government and a stronger nation. The home is the cornerstone upon which civilization has expanded and upon which the nations of the world have been raised. From the dawn of history it has been man's most cherished possession.

The pleasure of possession rests not upon the things we take for granted, such as well-paved streets and the use of the telephone, but upon the possession of those things which are not within everybody's reach as a matter of course.

The working out of a destiny plays an important part in our lives, whether we realize it or not; something to be hoped for; something we may yet work out, helps us all toward the cycle of "contentment." To have all thrust upon us with nothing left for future advancement, no knotty problems to work out, no chance to help make things better, would rob life of much that, while at times it seems dull, yet adds color and character.

I have stressed home ownership, but the mere having of a home is not the end, for in the home must be home-keeping hearts, the family, children, good books, and a leadership that builds for better and truer things.

Good night.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and the Senate (at 4 o'clock and 55 minutes p. m.) took a recess until tomorrow, Wednesday, April 28, 1926, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 27 (legislative day of April 19), 1926

FOREIGN SERVICE

TO BE SECRETARIES IN THE DIPLOMATIC SERVICE

Willys R. Peck, of California, now a Foreign Service officer of class 3 and Chinese secretary of the legation at Peking, to be a secretary in the Diplomatic Service of the United States of America.

Paul R. Josselyn, of Iowa, now a Foreign Service officer of class 5 and assistant Chinese secretary of the legation at Peking, to be a secretary in the Diplomatic Service of the United States of America.

Eugene H. Dooman, of New York, now a Foreign Service officer of class 5 and Japanese assistant secretary of the embassy at Tokyo, to be a secretary in the Diplomatic Service of the United States of America.

UNITED STATES MARSHALS

Jesse D. Moore, of New York, to be United States marshal, eastern district of New York. A reappointment, his term expiring April 25, 1926.

Jacob H. Fulmer, of Nevada, to be United States marshal, district of Nevada. A reappointment, his term expiring April 25, 1926.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 27 (legislative day of April 19), 1926

APPOINTMENTS BY TRANSFER IN THE ARMY

Mitchell Alonzo Giddens to be second lieutenant, Cavalry.

PROMOTION IN THE ARMY

James Thomas Dismuke to be first lieutenant, Infantry.
Lewis Eugene Snell to be first lieutenant, Field Artillery.

Arnold Hoyer Rich to be first lieutenant, Air Service.

Charles Dawson McAllister to be first lieutenant, Field Artillery.

Vincent Joseph Tanzola to be first lieutenant, Infantry.

Edward Albert Banning to be first lieutenant, Infantry.

Frederic deLannoy Comfort to be first lieutenant, Cavalry.

Henry Laurance Ingham to be first lieutenant, Field Artillery.

POSTMASTERS

MICHIGAN

Charles E. Bassett, Fennville.

William M. Snell, Sault Ste. Marie.

NEW MEXICO

William S. Medcalf, Hope.

PENNSYLVANIA

Helen H. Rodgers, Fredericktown.

Edith M. Phelps, Ludlow.

Wilbur C. Taylor, Port Royal.

Mike Humenik, Slovan.

Kay C. Fuller, Springboro.

WISCONSIN

Emil G. Werner, Pittsville.

HOUSE OF REPRESENTATIVES

TUESDAY, April 27, 1926

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in heaven, with the light of the day, renew the sunshine of our spirits and the childhood of our hearts. Remind us that life is redeemed by sacrifice and service. Revive within us the sympathy that feels another's grief, the sweet charity that weaves another's hope, and the love that shares another's gladness. The Lord help us to forgive our enemies and bear no malice. May our faith in God, in man, and in our country always be as shining lights that can not die away. In the name of Jesus our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

DEPORTATION OF ALIENS

Mr. SABATH. Mr. Speaker, I ask unanimous consent that I may have three days in which to file minority views on the bill (H. R. 11489) to provide for the deportation of certain aliens, and for other purposes.

Mr. JOHNSON of Washington. Reserving the right to object, Mr. Speaker, may I ask whether that will interfere with the proceedings to secure a rule and get the bill up?

Mr. SABATH. No; I will not do anything that will delay consideration of the bill.

Mr. JOHNSON of Washington. Then I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, one of its clerks, announced that the Senate had passed without amendment bill and joint resolution of the following titles.

H. R. 10275. An act authorizing appropriations for construction at military posts, and for other purposes; and

H. J. Res. 204. House joint resolution authorizing certain military organizations to visit France, England, and Belgium.

The message also announced that the Senate had passed bill of the following title; in which the concurrence of the House of Representatives was requested:

S. 4056. An act to amend section 98 of the Judicial Code as amended.

The message also announced that the Senate had passed with amendments bill of the following title; in which the concurrence of the House of Representatives was requested:

H. R. 10425. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1927, and for other purposes.

SENATE BILL REFERRED

Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below:

S. 4056. An act to amend section 98 of the Judicial Code as amended; to the Committee on the Judiciary.